



Serious snag hits Pollard probe

By ASHER WALLFISH
Post Knesset Correspondent
and Itim

A serious snag in the investigation of the Pollard affair emerged yesterday when Alignment MK David Liba'i informed Prime Minister Shamir that he had instructed three of the Israelis allegedly involved in the affair to refuse to appear before the Rotenstreich-Tsur fact-finding committee. Liba'i, a lawyer, is representing Yosef Yagur, Ilan Ravid, and Irit Erb.

The chairman of the panel, Dr. Yehoshua Rotenstreich, has declared publicly that he will resign if any of the witnesses his panel calls should prove uncooperative. It has been pointed out that such a fact-finding panel does not have the power of a judicial inquiry committee to subpoena witnesses.

Liba'i said, according to Israel Radio, that if his clients were called to testify before the panel, their rights might not be fully protected.

Yagur, who was a science attaché in New York, while Pollard was supplying American intelligence data to Israel, and Erb, who was a secretary at the Israel Embassy in Washington, have both been indicted by a U.S. grand jury. Ravid, who has not been indicted, was also a science attaché during the period that Pollard was spying for Israel.

In response to Liba'i's letter to the prime minister, Mapam MK Elazar Granot last night approached Rotenstreich and said he hoped he would keep his word and resign if the panel did not receive all the relevant material on the affair. This was reported last night by Israel Television.

In Tel Aviv, Rafi Eitan, the dismissed head of Leket, the Scientific Liaison Bureau that "handed" Pollard, was the first witness to appear before the Rotenstreich-Tsur panel, which began its hearings at the Prime Minister's Office yesterday.

In Jerusalem, MK Abba Eban said yesterday that the findings of the Knesset sub-committee he heads, which is also investigating the Pollard affair, will not be swept under the carpet.

Following a meeting between delegates of the U.S. Presidents Conference mission and six members of the Knesset Foreign Affairs and Defense Committee, Eban said that the sub-committee's findings, would either be submitted to the responsible ministers, or to the Knesset Speaker for action, or published in brief. "They will not be locked away in the archives," he told reporters.

He assured the delegation that even though the two bodies investigating the Pollard affair lacked full statutory powers, such as was enjoyed by judicial inquiry commissions, there was no fear that their effectiveness would be impaired because of that.

The former head of the General Security Service (Shin Bet), Avraham Shalom, testified at yesterday's session of the sub-committee. Shalom was called because he had made the initial inquiries on behalf of the government after Jonathan Pollard was arrested by the FBI outside the Israeli embassy in Washington.

Eban told reporters later that the sub-committee had already completed hearing the central figures in the affair. The total number of those

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Double death in Jerusalem

A 21-year-old girl and her 25-year-old army officer boyfriend were found dead last night in the girl's gas-filled apartment at 92 Rehov Bayit Vegan in Jerusalem.

Police, who were called to the scene after the Magen David Adom doctor declared them dead, surmised that they had died in their sleep after being poisoned by gas that had leaked from the heater.

Neighbours smelled gas coming from under the door of the Herbst family apartment at 7 p.m. and called an ambulance. (Itim)



DISARMING. — A student gives out flowers to truncheon-toting riot police at yesterday's demonstration in Jerusalem. — See story, page 2. (Y. Zaken/Media)

Bid to ward off U.S. action over South Africa

Cabinet opts for limited sanctions

By BENNY MORRIS
Post Diplomatic Correspondent

Israel yesterday decided to impose limited sanctions against South Africa in an effort to head off possible anti-Israeli criticism and actions by the U.S. Congress.

The inner cabinet, in two meetings yesterday, more or less adopted the proposals submitted by Foreign Minister Shimon Peres, which call for not concluding any new defence contracts and reducing to a minimum, cultural and tourism ties with Pretoria.

The 10 senior ministers, flanked by the director-general for political affairs of the Foreign Ministry, Dr. Yossi Beilin — a major proponent of sanctions — and the director-general of the Prime Minister's Office, Yossi Ben-Aharon, decided to appoint a team of officials to work out a de-

tailed list of sanctions and plans for their implementation. These will then be submitted to the inner cabinet for approval.

The team, which will probably be headed by Beilin, Ben-Aharon and a Defence Ministry official, will submit "within two months" recommendations "in the spirit of the policy adopted towards South Africa by the free world."

The inner cabinet also unanimously condemned South Africa's apartheid system.

The ministers refrained from cancelling existing Israeli-South African defence contracts and declined to reach immediate decisions on major non-military economic sanctions. Israel intends to meet existing defence obligations, phasing out the military relations with South Africa "gradually," senior officials said last night.

The ministers hope that the new

measures, and their very public announcement by Peres in the Knesset plenum today will suffice to blunt any criticism in the U.S. of Israeli-South African relations.

The Peres proposals were fashioned in a manner that would facilitate their passage through the inner cabinet while assuring that there would be sufficient sanctions to appease U.S. congressional sensibilities, sources said last night.

Before going into the cabinet meeting, Prime Minister Shamir — who supported the sanctions — told visiting American Jewish leaders of his desire to join the West's sanctions policy while at the same time safeguarding the interests of South Africa's Jewish community.

Shamir told the Conference of Presidents of Major American Jewish Organizations: "We are taking into account the views of the West- (Continued on Back Page)

Halachic ruling guided Peretz on sex fugitive

By HAIM SHAPIRO
Jerusalem Post Reporter

Two distinguished Jerusalem sages, Rabbi Shalom Eliezer and Rabbi Shlomo Urbach, issued a halachic ruling instructing the then interior minister Yitzhak Peretz to allow Avrohom Mondrowitz, former rabbi who is wanted for sex crimes in the U.S., to remain in Israel, an informed source within the ultra-Orthodox community told *The Jerusalem Post* yesterday.

The source discounted suggestions that the ruling had come in response to contributions Mondrowitz had made to religious institutions. "He is a wealthy man, but no millionaire," the source said.

Rather than relate to the individual and the acts he is suspected of committing, the rabbis had considered the public humiliation of his family, the source said.

It is unlikely anyone would have accepted his contributions, the source continued, pointing out that he was shunned in the ultra-Orthodox world and an outcast even in the small Gra Synagogue, located in the Shaare Heseid Quarter near his home in the Wolfson Building, where he prayed regularly.

Meanwhile, Jerusalem Chief Rabbi Yitzhak Kallitz yesterday denied that he had appealed to Peretz on behalf of Mondrowitz. Kallitz told *The Post* that he had indeed heard appeals for and "mostly against," but he had not taken any action.

Religious sources stressed that most of the opposition to Mondrowitz had come from within the ultra-Orthodox community. His daughter had been forced to leave the Beit Ya'akov school where she was studying. But evidently this opposition did not include a desire to expose Mondrowitz and especially his family to outsiders.

In confirmation of this view, a source in Agudat Yisrael, which is vehemently opposed to Peretz and his Shas Party, yesterday expressed "surprise" at the way Acting Interior Minister Ronnie Milo handled the matter.

"If it is true, what he [Mondrowitz] did was appalling, but Milo shamed an entire family and besmirched an entire community," it was said. Political sources characterized Milo's action as "bombastic" and said that the expulsion order had not even been passed on to the administrative level in the Interior Ministry.

Political sources expressed the view that despite the apparently appalling nature of the affair, it would do little to harm Peretz politically.

Interviewed on Israel Radio yesterday, Peretz said he had not expelled Mondrowitz because there were rabbis who had argued on his behalf and said they would be responsible for his actions. The former interior minister also noted that in the two years that Mondrowitz has been in Israel, he has not been accused of any wrongdoing.

At the time, Peretz added, there had been no mention of AIDS. "If he is sick, he should be examined," Peretz said.

A source within the ultra-Orthodox community told *The Post* yesterday that Mondrowitz had come to Israel on the advice of rabbis in Jerusalem, who felt that he could stay out of trouble here.

Shortly after arriving in this country, Mondrowitz applied for citizenship under the Law of Return, and when this was denied, he appealed to the High Court of Justice. He subsequently dropped the suit after reaching an "arrangement" with the Interior Ministry. He is now in the country on an extended tourist visa, Peretz said.

'Syria poised for strike on Iran embassy'

Jerusalem Post Staff

Syrian troops in Beirut are poised to break into the Iranian embassy and free western hostages reportedly held there, Radio Europe One reported late last night.

The report followed the publication in Moscow's *Literaturnaya Gazeta* of a story that Anglican Church envoy Terry Waite is being held in the embassy in West Beirut.

The Hizbullah terrorists who are said to have abducted Waite and other western hostages are known to be politically and financially supported by Iran.

Waite disappeared in West Beirut on January 20.

Embassy bomb bid in Athens

ATHENS. — Two men on a motorcycle threw a bomb into the garden of the Israeli diplomatic mission here yesterday, but it failed to explode, police said.

A police spokesman said the bomb, wrapped in tin foil, was tossed over a three metre iron fence surrounding the mission, which is located on a major boulevard in the fashionable suburb of Paleo Psychiko, where many embassies are located.

The building was evacuated until a bomb disposal unit arrived. The foil-wrapped package was found to contain a "strong explosive device."

Police said the motorcycle sped away, and no arrests had been made. No other details were immediately available. (AP, Reuters).

Herut in turmoil as accord on convention collapses

By MENACHEM SHALEV
Jerusalem Post Reporter

Herut appears to be heading for another raucous and divisive convention on March 29, following a meeting of party ministers held at Prime Minister Shamir's residence last night in which the different camps failed to come up with an agreed agenda.

The disagreements have pitted deputy prime minister David Levy, who seeks an open contest for various party posts, against ministers Ariel Sharon, Moshe Arens and Haim Coru who are seeking a pre-arranged divisions of those posts.

A disappointed Minister Moshe Katzav, who is chairman of the convention's presidium, said following the meeting that he was "very concerned" at the possibility of a disorderly convention. "We are back at the starting point," he said.

Levy accused his fellow ministers of having reneged on their agreements to hold a "democratic and free vote" for party positions. "I hope that reason will prevail," he said.

Herut hopes for a peaceful convention so far 10 days ago when the warring ministers had reached a tentative agreement. Under the terms of that pact, the convention would elect, in addition to the party chairman — for which Shamir is the uncontested candidate — a deputy party chairman, and chairmen for the Central Committee and for the party secretariat.

Arens and Sharon had agreed to Levy's demand that the hitherto non-existent post of deputy party chairman be created and they also agreed that it be earmarked for

Levy. But they stipulated that agreed candidates for the other two posts also be designated in advance, with Sharon slated to become central committee chairman and Arens secretariat chairman.

But Levy, who agreed to his rivals' demand that he be permitted to compete for only one post, was not willing to concede the other two positions. He wants to nominate



David Levy — taking them all on. (Nackstrand)

candidates affiliated with his camp to run against Arens and Sharon.

Herut sources said last night that Levy had no objection to Sharon becoming chairman of the central committee, but he refused to permit his archrival Arens to seize control of the influential secretariat. That body controls the party's operations

and especially its all powerful organization division, which registers the convention delegates. The current chairman of the secretariat is former finance minister Yoram Aridor, who has not revealed whether he will seek the post again.

Ministers Arens and Sharon said that in view of Levy's position, they would demand that the party stick to its constitution, which does not recognize the post of deputy party chairman or the convention's competence to fill the other posts.

Shamir did not intervene in the dispute and said that his only wish was for an agreed agenda, whatever it might be.

In a statement issued last night, Shamir said that he hopes that "despite everything" the convention would be held in a respectable and orderly fashion. Shamir said that "maybe it will be possible to reach an agreement before the convention is slated to open."

Observers noted last night that the haggling and disagreements over the technical and legal points might, given the current enmity between the camps in Herut, lead to a total disruption of the convention, as happened in February last year.

Meanwhile the Liberal Party was back in court yesterday, as a Tel Aviv District Court judge issued an order banning the convening of the party's Central Committee this afternoon.

Originally, two simultaneous and parallel meetings had been summoned by the two rival groups in the party: the Moda'i camp and the Pat-Sharir-Nissim camp.

Japan and the Jewish conspiracy

By DAVID HOROVITZ
Jerusalem Post Correspondent

LONDON. — The Jews are plotting to destroy Japan, as part of an international Jewish conspiracy to take over the world, according to no less than a dozen books published in Japan in recent months.

Japan's poor economic performance last year — its worst for 12 years — appears to have prompted a resurgence of Jewish conspiracy literature, with numerous books blaming Jews for the tougher financial climate.

One of the most popular anti-Jewish authors is Masami Uno,

whose books sell by the hundreds of thousands, and who wrote recently that American Jews have begun "a targeted bashing of Japan." He claims that American Jewry was responsible for the Lockheed bribery scandal, which brought down Prime Minister Kakuei Tanaka; for the Great Depression; and for the rise of South Korea as an economic power.

A report on the phenomenon, published in the *Guardian* yesterday, added that Akashiro Saito, a member of the Japanese Diet (parliament), had penned a volume entitled *The Secret of Jewish Power to Control the*

World, while the top executive of McDonalds in Japan was responsible for the curiously titled *The Jewish Way of Blowing a Millionaire's Bugle*.

Also selling well in the bookstores of Tokyo is Toru Kawajiri's *Scenario for Annihilation*, which maintains that no more than 200,000 Jews could possibly have perished in Hitler's gas chambers.

At most, 200 Jewish families live in Japan, and almost all of them are foreigners; the Jewish community is said to be bewildered as to the cause of this spate of anti-Semitic verbiage.

DETECTIVE BUREAU PHOTOGRAPHIC UNIT CITY OF NEW YORK PLEASE POST IN A CONSPICUOUS PLACE

WANTED FOR SEXUAL ABUSE



SEE ABOVE IS MR. AVROHOM MONDROWITZ, SUSPECT FOR SUSPECTED SEXUAL ABUSE IN THE BORO PARK AREA OF BROOKLYN.

Part of the wanted poster put out by the New York police for suspected sex criminal Avrohom Mondrowitz.

Haredi psychologist goes to ground in Jerusalem

By BERNARD JOSEPHS,
JOEL REBIBO
and JUDY SEIGEL
Jerusalem Post Reporters

An ultra-Orthodox child psychologist, who is wanted in the U.S. for alleged sex crimes against young boys — 28 of whom are now reported to be suffering from AIDS — was in hiding with his family in Jerusalem last night, a relative said.

The man, Avrohom Mondrowitz, is subject to a deportation order being prepared on the instructions of Acting Interior Minister Ronnie Milo, and Justice Ministry officials have advised the U.S. to ask other countries to ban him so that he has no alternative but to return to the U.S.

In an interview with *The Jeru-*

salem Post eight months ago, 40-year-old Mondrowitz strongly denied the charges against him. "Tell me who told you I did these things," he demanded.

"The charges against me are always made by anonymous people. I have not changed my name. I have not hidden myself. If I had committed these things, I would certainly have done so."

Mondrowitz's lawyer yesterday also dismissed the allegations, describing them as "ugly libel."

Mondrowitz came to Israel with his wife and seven children two years ago after detectives visited his home in the Boro Park neighbourhood of Brooklyn. The interior minister at that time, Yitzhak Peretz, refused

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CHICAGO	-3-21	7-44
COPENHAGEN	-3-27	1-34
FRANKFURT	-3-27	1-34
GENEVA	1-34	5-41
LONDON	7-25	11-32
MADRID	4-29	19-64
MONTREAL	-2-14	8-32
NEW YORK	-1-20	8-46
OSLO	-4-25	1-34
PARIS	7-25	11-32
ROME	10-26	14-21
SAN FRANCISCO	10-26	14-21
STOCKHOLM	-4-25	1-34
TOKYO	4-29	19-64
ZURICH	1-34	5-41

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THE WEATHER

Yesterday's	Yesterday's	Today's
High/Low	High/Low	High/Low
Jerusalem 49/71	4-14	12
Golan 71	6-10	11
Nahariya 79	4-9	9
Safed 79	4-9	9
Haifa Port 71	5-15	17
Tiberias 71	5-15	17
Nazareth 78	6-16	17
Afula 78	6-16	17
Sharon 71	7-14	14
Tel Aviv 51	11-18	18
B-G Airport 36	7-17	17
Jericho 50	8-20	22
Gaza 44	10-20	19
Beersheba 44	5-20	20
Elat 42	13-25	26

HOME NEWS

Students protest - with flowers

By ANDY COURT and BRADLEY BURSTON For The Jerusalem Post

Several thousand students from most of the country's universities demonstrated peacefully in front of the Knesset and government offices yesterday to protest against plans to raise their tuition fees.

In contrast to the clashes between stone-throwing students and tear-gas police used during a smaller demonstration in the same area last week, students yesterday presented police in riot gear with flowers. The policemen smiled self-consciously as they endeavored to hold both their carnations and their clubs. There were no arrests or injuries, police spokesman said afterwards.

The protest was designed to underline the students' demand that tuition fee be no higher than \$800 a year - as opposed to the \$1,400 demanded by the Treasury and about \$2,000 sought by the financially troubled universities themselves. Students now pay about \$1,300 in tuition.

An interministerial committee headed by Education Minister Yitzhak Navon is to continue its deliberations on the issue this Friday.

"There is no logic in a country that cancels the taxes on luxury items,"

but raises the tuition fees for higher education," National Students Union Chairman David Berman said yesterday.

In the park in front of the Knesset, students listened to Minister-without-Portfolio Ezer Weizman, Knesset Education Committee chairman Nahman Raz and several other MKs voice support for their cause.

While students from Jerusalem, Tel Aviv and Haifa came in buses to participate in the protest, students at Ben-Gurion University in Beersheba decided instead to host some 2,000 grade school pupils from disadvantaged Negev neighbourhoods who came for a programme on children's shows and university tours.

The event, which takes place annually, was held with the consent of the national student leadership. Its carnival tone highlighted the differences between the Beersheba students and their counterparts elsewhere.

In recent weeks, Ben-Gurion's student body has refused to sanction the militant actions favoured by student leaders elsewhere. One of the main reasons for this more moderate attitude is that the university's president, Haim Elata, has supported the students' demands.

Kahane's aide found guilty of assault

Baruch Marzel, the secretary of Meir Kahane's Kach Knesset faction, was given a five-month suspended sentence and fined NIS 400 in the Jerusalem Magistrates Court Tuesday, after being found guilty of assaulting an Arab.

A second man who was involved in the assault, Shmuel Meidat of Tel Rumeida near Kiryat Arba, was

given a three-month suspended sentence and fined NIS 300.

Both were found guilty of assaulting Haled Sherif of Hebron in July 1985. Sherif had got on a bus in Kiryat Arba and told the driver that he only wanted to ride a short distance without paying. When the driver objected and began to argue with Sherif, (Itim)



Prime Minister Shamir and Morris Abram, chairman of the Conference of Presidents of Major American Jewish Organizations, at a meeting of the conference at the Jerusalem Hilton yesterday.

'Green Patrol' warns against sanctioning of illegal homes

Post Knesset Correspondent

The government official responsible for stopping trespassing and squatting on state lands said yesterday that implementation of the recommendations of the Markowitz Committee on illegal building could result in the state losing 1.5 million dunams of land.

The Markowitz Committee recommendations, recently approved in principle by the government, would give retroactive sanction to some 7,000 illegal homes in the Arab sector.

Alon Galili, the official who directs the Agricultural Ministry's so-called "Green Patrol," said that if illegal buildings were not demolished, Arab squatters would be encouraged to build without licenses, and to try to seize the state land, or land not yet registered in the Lands Registry.

Ya'acov Markowitz is an assistant director-general at the Interior Ministry. His recommendations cannot be implemented as long as demolition orders against hundreds of the illegal homes are still in force.

HAREDI

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his application for citizenship under the Law of Return, but declined to deport him and allowed him to remain in the country on a tourist visa.

Extradition was ruled out because the treaty with the U.S. does not cover the crimes he is suspected of committing.

On Monday Milo, who took over after Peretz's resignation, examined a letter to the Interior Ministry from a social worker employed by New York State Assemblyman Dov Hinkind. The social worker, Zipporah Ben Avraham, said she was working with 10 children alleged to have been assaulted by Mondrowitz.

Twenty-eight of them have Aids and four of the cases were directly attributable to Mondrowitz, she alleged. One of the children was reportedly in critical condition and confined to an iron lung.

New York health officials have claimed that Mondrowitz was found to have Aids in a test at the Kupat Holim clinic on Rehov Straus in Jerusalem. But Health Ministry officials here yesterday said the man had not undergone such a test in Israel, and they had not received information from the U.S. that he had the disease.

When he is located, officials said, Mondrowitz would be given a blood test.

Milo said last night that he had asked his ministry's officials to proceed with all possible speed in the case. He said, he had "received a request to deport him from the Justice Ministry five days ago."

The deportation is expected to take effect by the middle of next month.

Mondrowitz, associated with the Gur Hassidim, has used the title rabbi, although rabbinical sources say he is not ordained. He is suspected of committing the offences while running a child psychology clinic in New York.

A New York grand jury currently has six sworn affidavits before it alleging that Mondrowitz sexually molested children. A rabbinical edict against him issued in Brooklyn alleges that he took children to see pornographic movies and then sexually assaulted or raped them.

Wanted posters bearing his picture and description were circulated in police stations throughout New York by the Brooklyn Sex Crimes Squad, which conducted the investigation into his suspected activities.

Mondrowitz's home in the Wolfson building was empty yesterday. On the door were welcome posters prepared by his children for their grandparents, who are here to celebrate the bar mitzva of a grandson.

"They are all in hiding. The family is afraid to even go out for fresh air," said Mondrowitz's cousin Avraham Warshavik. "They had to leave their home. The kids are all frightened. They are not going to school. The only one protected from the tragedy is the 17-year-old, who is in a yeshiva in Hazer."

Warshavik said the charges against Mondrowitz were lies. As to the report that he has Aids, he said that "the man is healthy, we should all be so healthy." However, he said he had urged him to go to a clinic for an Aids test "to prove once and for all that the charges are false."



Naila Ibrahim

Palestinian says beatings in jail led to miscarriage

By JOEL GREENBERG

A Palestinian woman arrested on suspicion of being a member of the Democratic Front for the Liberation of Palestine says she has miscarried as a result of beatings and other mistreatment during interrogations at the lock-up in Jerusalem's Russian Compound.

In an affidavit to her lawyer, Feida Langer, Naila Ibrahim, 26, of Gaza, said that she was arrested on February 19 and told her interrogators that she was pregnant, but was physically abused. The result was hemorrhaging and a miscarriage, she said.

On several occasions, Ibrahim said, her head was covered with a cloth sack and she was left out of doors for extended periods despite the cold weather. Security men cursed her and threatened to strip her, and one of them slammed her head against a wall, she charged.

When she began hemorrhaging and vomiting, she was accused of feigning sickness and told she would only see a doctor after she had confessed, according to the affidavit. Ibrahim later confessed to membership in the DFLP for three months in 1983.

A doctor who saw her on February 25 ordered a urine test, and Ibrahim was later told she was healthy. During a check up on March 15 at a Kupat Holim clinic, the doctor spoke angrily with a prison medic, but no results were reported to Ibrahim, according to the affidavit.

Ibrahim had a pregnancy test at the Gaza Blood Bank on February 15 which was positive, but Langer was told yesterday by the district police doctor that her client had never been pregnant. The doctor agreed to Ibrahim being examined today by a Palestinian doctor of her choice.

A police spokesman said that if Ibrahim has complaints, "she can make them through the appropriate channels, not through the press."



DEM JANJUK ON TRIAL

O'Connor peevish judge

By ERNIE MEYER

Jerusalem Post Reporter
Yesterday's session of the Demjanjuk trial was taken up with the cross-examination by the defence of Miriam Radwiker, the 81-year-old police investigator who did much of the groundwork leading up to the present trial. But the proceedings were almost overshadowed by tension between court president Dov Levin and the head of the defence team, Mark O'Connor.

This tension has surfaced in the past, but yesterday, the 18th day of the trial, it came to the fore in the most persistent and acrimonious manner.

The cause of this recurring confrontation seems to be mainly the laborious and repetitive style in which O'Connor is conducting the defence.

During the first hour of his cross-examination, O'Connor drew from Radwiker information about herself. She was born in 1906 in a Galician village, attended schools in Vienna and Stanislaw, and studied law at Cracow University. Being Jewish, she could not aspire to reach the top of her profession and become a judge.

When Levin asked O'Connor whether all these details of the witness's early life were really important, O'Connor explained: "I'm laying the foundation for further questioning." This was an answer the court had heard before.

After the outbreak of World War II, Radwiker and her lawyer husband went to Russia, where her husband fought on the Stalingrad front. But he was later exiled to Siberia and never heard of again.

After the war Radwiker returned to Poland, where she remarried - again to a lawyer - and practised law. When O'Connor asked her about the quality of the Russian legal system, from her experience during her stay in that country, he was cautioned by Levin. "That is a sensitive subject, we don't want to cause a diplomatic incident."

Next, it was the witness herself who protested against the prolonged questioning on details of her private life. "Is it the purpose of the defence to tire me out?" she asked.

But this time Levin defended O'Connor: "Although it is wearying, the defence thinks it needs

all this information."

However, he also warned O'Connor against asking such personal questions as the number of children the witness has (one daughter). "Such personal questions are irrelevant to the witness's testimony and they will be overruled."

O'Connor countered heatedly that Radwiker in her testimony was speaking for some witnesses who were dead, and that this was a heavy responsibility.

This provoked Levin to remark that it was not Radwiker herself who pointed an accusing finger at John Demjanjuk, but the witnesses whose testimony she had recorded. "Perhaps you do not understand our decision yesterday, read it again," said Levin, referring to the court's decision to admit testimony of persons now deceased, according to paragraph 15 of the Nazis and Nazi Collaborators (Punishment) Law 5710 (1950). The decision had been a blow to the defence.

Next, O'Connor questioned the witness on how she had got her job with the police soon after coming to this country in 1964. Radwiker said that she was attending a Hebrew language ulpan when a police officer approached her and hired her. She said that she had been afraid that at the age of 59 she would have difficulty finding a suitable job. (Her lawyer husband had to work in construction.)

At this juncture Radwiker described how, before leaving Poland, she and her husband and daughter had visited the site of Auschwitz, where many of her family had perished. "It was there that I decided to devote my life, if possible, to the prosecution of Nazi war criminals," she said.

At this point O'Connor announced that the witness was in tears. "This puts me in a difficult position," he said. "I suggest the court take a break."

But Levin was in no mood to accept the suggestion. "I don't see that she is in tears. Auschwitz teaches every Jew about Jewish destiny, she is capable of carrying on. You just carry on in a fashion becoming a clever lawyer."

O'Connor then asked whether Radwiker got any special training at

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Peretz gives gov't another chance

By DVORAH GETZLER

Post Knesset Reporter
Coalition members from the Orthodox factions voted no-confidence in the government yesterday for the second time in two weeks.

The occasion was a motion proposed by Morasha's Avraham Verdiger, which scored the government's handling of the Mormon centre on Mount Scopus.

Former interior minister Yitzhak Peretz (Shas) went to the podium simply to say that his faction had decided "to give the government another chance," and that it would support the government. But when the vote was taken, Ya'acov Yosef, the only other Shas member in the chamber, voted against the government.

Other coalition members voting no-confidence were Agudat Yisrael's Menahem Porush and Avraham Shapira, the National Religious Party's David Danino, and Verdiger. Opposition MK Gershon Shafat (Tehiya) also voted no-confidence and Charlie Biton (Democratic Front for Peace and Equality) abstained.

Agriculture Minister Arye Nehamkin, a member of the ministerial committee dealing with the Mormon centre, criticized the attorney-general for taking "too long in my opinion" to pronounce on the leasing agreement that the Israel Lands Administration has drawn up for the Mormons to sign. That agreement, in accordance with the decision of the ministerial committee, includes an undertaking that the Mormons



will not engage in any missionary activity from the centre.

The text of the agreement is only now being discussed by both sides, Nehamkin said, adding: "We cannot force them to sign our text." The matter would still require patience and time.

Nehamkin agreed with Verdiger that the government had not been swift enough in its dealings with the Mormons, who are already occupying the building, but that, he said, was no reason for voting no-confidence.

Police plans

The war against drugs, security in Jerusalem, law and order, and upgrading the police force are the Police Ministry's top priorities for the coming year, Police Minister Haim Bar-Lev told the Knesset yesterday.

Bar-Lev's was the first ministerial presentation within the framework of the continuing - if sporadic - plenary debate on the 1987/88 state budget.

On drug trafficking, Bar-Lev said over \$1 billion a year was involved, "all of it 'black' money."

The minister also noted that one-third of all police officers and one-half of the senior officers have university training.

But he had no good news on the subject of overcrowding in the country's prisons - the forecast for the year was that the prison population would grow by 1,000, with only another 494 places being added.

Several solutions, such as renting prison accommodation from private investors, were being considered, he said. Another possibility is legislation that will substitute punitive labour for prison terms of up to six months.

Despite a "dialogue" system of debate introduced in the 10th Knesset by then speaker Menahem Savi-dor, yesterday's debate following the minister's presentation was marked by long speeches, rather than the short questions and comments envisaged.

The most striking feature of the debate was the presence of at least 20 senior police officers who spent hours waiting for the start of the debate, and then sat throughout the lengthy proceedings in the special visitors' gallery. They outnumbered the MKs in the plenum.

Travel Tax

Travel tax, now set at NIS 250, will no longer be updated automatically on the 17th of each month, under the terms of an amendment to the law that passed its second and third readings yesterday. And the 20 per cent levy on tickets has been scrapped.

But people with travel plans should not be lulled into a false sense of security: the amendment also empowers the finance minister to change the levy - subject to the approval of the Finance Committee.

Surprise call-up exercise for IDF

Jerusalem Post Staff

The IDF yesterday held a surprise call-up exercise involving thousands of soldiers.

It was the first time in years that the IDF held such an exercise without giving advance notice. Quiet call-ups in which recruits go from door-to-door summoning reservists, have been common, as well as exercises in which the IDF issues call-up orders on radio and television after giving several hours advance warning or even several days.

Yesterday afternoon and evening radio and TV broadcasted the order issued by Deputy Chief of General Staff Aluf Amir Dori.

A similar call-up in 1959 led to increased tension in the region because Israel's neighbours feared it was really mobilizing for an attack. Despite Israel's denial at the time of any such intention, the Syrians declared an alert and tension mounted.

Subsequently, Aluf Yehoshafat Harkabi, then chief of Military Intelligence, and the Deputy Chief of General Staff Aluf Meir Zorea were dismissed by Minister of Defence David Ben-Gurion and forced to quit the army.

Yesterday's exercise coincided with the visit of the U.S. Secretary of the Army John Marsh. The Pentagon visitor had said here on Monday that he was particularly interested in how Israel mobilizes its reserves, explaining that the U.S. relies heavily on its National Guard and reserves. "The reputation this country has for effective mobilization... is of great interest to me," Marsh said.

However, Chief of General Staff Moshe Levy, who visited a call-up centre last night, laughed off any suggestions that the timing was more than a coincidence. "There is certainly no connection," he said.

Marsh "is not participating in any way in this exercise."

Marsh yesterday visited the Israel Aircraft Industries complex and was shown, among other things, a mine plough and a device installed in helicopters that helps to provide sharp pictures of terrain despite the helicopters' considerable vibration during flight.

IAI has been competing with several foreign companies for contracts to sell such items to the U.S. Army.

Marsh's hosts also described their ability to repair assault helicopters. IAI has repaired several U.S. Army assault helicopters in Europe, but those contracts were "not big," (an authoritative source told The Jerusalem Post). No agreements are expected during Marsh's visit, which has been described here as a study tour.

Paula and Harry (Zachi) Armon announce the birth of their daughter

ALEXA (Shoshana)

sister to Jason (Joseph)

granddaughter to Chana and Gidon Armon
niece to Robyn and Jack Armon
cousin to Jennie (Chava) and Jesse (Bracha)

New York, March 10, 1987

The Knesset informs the public that today, Thursday, March 19 there will be no tours of the Knesset building, since the Knesset will be in session.

Our dear

ODED GOUSMAN

is no more.

The funeral will take place tomorrow, Friday, March 20, 1987, at 11:00 a.m., at the Kiryat Shaul cemetery.

Buses for mourners will leave at 10:15 a.m. from the following points:
Ramat Etlal - opposite Sderot Ha'oranim School;
Givatayim - Shimon Ben-Zvi (Shabat) School; Tel Aviv - Habimah, near the memorial in the car park, opposite Sderot Rothschild.

Mourners:

Mother, Dr. Batia Gousman
Wife, Rachel
Children, Dan, Uri, Royce, Ela
Sister, Tota Levin and family
and all relatives

HADASSAH
The Women's Zionist Organization of America
The Hadassah Medical Organization
The Hadassah Council in Israel

deply mourn the passing of

Dr. GABRIEL ULLMANN

former deputy director-general of the Hadassah Medical Organization and former director of Hadassah-Hebrew University Hospital, Mt. Scopus.
Jerusalem, March 18, 1987

With deep sorrow,
we announce the death of our beloved

HELMUT PINS

The funeral will take place today,
Thursday, March 19, 1987, at 3 p.m.,
at Carmiel Cemetery.

Mourning by
His wife, Yehudit Pins
The Putzki Family
and the Amir, Sherbala, Mendez and Shoval Families

On the anniversary of the passing of our dear

MOSHE (Moish) PEARLMAN

AUBREY and HINDLE KAUFMAN

we will conduct a memorial service on Sunday, March 22, 1987
at 3 p.m. at the Har Hamenuhot cemetery, Givat Shaul, Jerusalem.

The Family

SYDONIA BRONNER

is no more.

The funeral will leave from Sanhedria, Jerusalem, today,
Thursday, March 19, 1987 (Adar 18) at 12 noon.
Shiva at the mourners' home.

Fred, Dina, Sharon and Yigal Bronner

Immunity granted Poindexter, North

WASHINGTON. — Two congressional committees investigating the Iran-Contra scandal yesterday granted limited immunity to two key figures. They also agreed to speed up the investigative process by holding joint hearings.

Limited immunity, approved by Lawrence Walsh, the independent counsel investigating possible criminal wrongdoing in the affair, was granted to former National Security adviser John Poindexter and National Security aide Oliver North.

The chairman of the two panels, Senator Daniel Inouye, Democrat-Hawaii, and Representative Lee Hamilton, Democrat-Indiana, said their committees had voted to hold all hearings jointly and to merge the staffs of both panels into a single unit.

It is rare for committees of the two chambers of Congress to do either of these things, even when investigating the same subject. Representative Dick Cheney, Republican-Wyoming, described it as "virtually unprecedented."

The joint public hearings, which will begin on May 5, will be divided into three phases: military aid to the Contras, arms sales to Iran, and "the question of assignment of authority," said Hamilton.

Granting of limited immunity allows the committees to compel witnesses to testify. It does not preclude future criminal prosecution, but testimony given under limited immunity may not be used in any

prosecution. Both Poindexter and North declined to testify before Congress in the past on the grounds that such evidence might be self-incriminating.

Hamilton said the panels also voted to give limited immunity to compel testimony from a new group of witnesses, but he declined to name them.

Representative Jim Courter, a Republican member of the House panel, said immunity had been voted for six witnesses and that a seventh name had been deferred until later.

Meanwhile, a divided Senate neared a vote last night on legislation to stop \$40 million in aid for Nicaraguan rebels, but Senate Majority leader Robert Byrd predicted President Reagan will win this round.

"We're going to lose today," Byrd, an opposition Democrat who opposes the aid, told reporters.

Asked about the vote outlook during a photo session at the White House, Senate Republican leader Bob Dole, an aid supporter, raised his thumb (a gesture of confidence). Reagan said, "I don't know."

Whether the assistance is approved or not, yesterday's vote could set the stage for a total aid cutoff for the Contras for the next fiscal year.

The \$40 million for the U.S.-backed rebels is the last instalment of a \$100 million military aid package approved by Congress last year. (AFP, AP)



Former U.S. National Security adviser John Poindexter (right) speaks before the House Government Operations Committee as his lawyer Richard Becker looks on. Poindexter invoked the Fifth Amendment four times in response to questions from committee members. (AFP telephoto)

Kohl urges quicker E-W rapprochement

BONN. — Chancellor Helmut Kohl called yesterday for closer East-West relations and said that he was going to take Soviet leader Mikhail Gorbachev "at his word" over his promises of a "new conception of international relations."

In his first policy speech to the West German parliament since being re-elected for a new four-year term last month, Kohl also called for a rapid superpower disarmament accord, and emphasised West Germany's commitment to NATO and the need to develop the seven-nation Western European Union.

Kohl said that the Soviet leader's initiatives could provide "greater comprehension, more cooperation and above all concrete results in disarmament." But he added that "we will not lose sight of realities, we will not follow illusions and we will not give up on the contradictions that remain."

Kohl said the West Germany criteria for real progress in East-West relations was "the human

situation of our divided people and on our divided continent."

"That is why we welcome the first signs of change in Soviet human rights policy," the chancellor said, adding an appeal for the release of all political prisoners in the East bloc.

In Moscow, a top U.S. State Department official said yesterday the superpowers have the will to reach agreement on medium-range missiles in Europe, and that such a deal could lead to a summit meeting in Washington.

Michael Armacost, Undersecretary of State for Political Affairs, told reporters at Moscow's Sheremetyevo airport that the U.S. sees recent progress in many areas of U.S.-Soviet relations.

Armacost spent two days in Moscow discussing U.S.-Soviet differences on regional issues and setting the stage for the visit of Secretary of State George Shultz on April 13-16. (AFP, AP)

4 killed in Philippine academy blast

MANILA (AP). — A bomb exploded yesterday at the country's military academy, killing four people and injuring 38. Elsewhere, Communist rebels killed 19 troops, the most serious government loss since a cease-fire expired last month.

Defence Department spokesman Ed Pangilinan said the explosion occurred at the parade field of the Philippine Military Academy during rehearsal for Sunday's graduation.

President Corason Aquino is to deliver the commencement address, Pangilinan said the bomb apparently was planted several days ago in the grandstand, ceiling above the stage where the president will speak.

One female civilian, two enlisted men and a colonel were killed. Fourteen officers, two reserve officer cadets, five enlisted troops and 17 civilians were injured.

The academy which trains officers for the army, navy, air force and Philippine constabulary is in Baguio City, the country's premier mountain resort some 210km. north of Manila.

Witnesses contacted by telephone said the explosion sent about half the concrete overhanging crashing down on scores of people sitting underneath. The blast buried chunks of concrete as far as 40 metres away. Mrs. Aquino told reporters she would fly to Baguio city on Thursday to visit the wounded.

Saudi hostage freed with Syrian pressure

BEIRUT (AP). — A weeping Saudi Arabian hostage was freed after 66 days in captivity yesterday, apparently with Syrian help, raising hopes that Syrian military intervention in West Beirut could lead to the release of other foreign hostages.

Badr Damanhour, in his mid-40s, appeared at a news conference at Shi'ite Moslem leader Nabih Berri's home in Beirut. He was turned over to Lebanese-born Saudi business tycoon Rafik Hariri in the presence of Brig. Gen. Ghazi Kanaan, Syria's military intelligence chief in Lebanon.

"I was treated as a prisoner. I saw nothing, no human, no bird, not even an animal," said Damanhour, blinking back tears as he faced photographers' flashbulbs.

Hariri, an adviser to Saudi Arabia's King Fahd on Lebanon, said: "We all express gratitude to (Syrian)

President Hafez Assad for exerting pressure to free Damanhour."

"We also thank Amal for obtaining his release after a 66-day ordeal," said Hariri, referring to Berri's mainstream Amal militia.

He and Damanhour then got into a grey, bullet-proof Mercedes-Benz and drove away.

Damanhour was the first captive to be freed since Syria deployed 7,500 troops and 100 tanks in West Beirut February 22 to curb military anarchy in the capital's Moslem sector.

Berri said the Syrians and his militia "exerted efforts to free Damanhour." He pledged to work for the release of the remaining 25 foreign hostages and Anglian carrier envoy Terry Waite, who disappeared two months ago in Beirut while on a mission to free two American hostages.

Carter for PLO in M.E. peace talks

CAIRO (AP). — Former U.S. President Jimmy Carter said here yesterday that he believes that PLO leaders should participate in Middle East peace negotiations along with other Palestinians. He singled out PLO chairman Yasser Arafat as "welcome by me."

Carter flew in from Algeria and will visit Syria on Saturday. He said he might get new information about American and other hostages held in Lebanon during his visit to Damascus.

Noisy protests over play about Haile Selassie's last days

By DAVID HOROVITZ
Jerusalem Post Correspondent
LONDON. — Having recently withdrawn the anti-Zionist play *Perdition* after strong protests from the Jewish community, the Royal Court Theatre is now facing further controversy over its new production, *The Emperor*.

A small group of Ethiopians-in-exile has been staging noisy demon-

strations at each performance of *The Emperor*, which purports to be an account of the last days of Ethiopian leader Haile Selassie. The demonstrators claim that the play, adapted from a book by Polish journalist Ryszard Kapuscinski, reflects a KGB disinformation exercise designed to discredit the former emperor and justify his overthrow by the present Marxist regime.

As with *Perdition*, historians have

been disputing some of the play's basic tenets, including, for example, the assertion that Haile Selassie never signed a document and that his signature has therefore never been seen. The demonstrators claim that there are dozens of documents available showing Selassie's signature. The play also suggests that Selassie left his palace as an exile, while, in fact, he died in his palace shortly after his 1975 overthrow.

The focus of the continuing *Perdition* row, meanwhile, has now shifted away from the theatre to the TV screens. In a programme on Channel Four late last night, scenes from the play — taken off the Royal Court just hours before it was due to begin previewing — were screened publicly for the first time, followed by a debate between author Jim Allen and a panel of his Jewish critics.

Soviet warships join U.S. patrols in Gulf

MANAMA, Bahrain (AP). — Soviet warships are patrolling Persian Gulf waters, displaying military muscle with the United States, Britain and France in the strategic waterway that has become a key arena of the Iran-Iraq war.

Two Soviet destroyers have operated in the gulf since Iranian gunboats intercepted and briefly inspected two Soviet freighters last September. Until then, the Western military was predominant in the oil-rich gulf.

The Kremlin has projected its naval presence to uphold the principle of free navigation in the gulf, according to a published interview by a senior Soviet official. The Iranians have often threatened to close the gulf.

Soviet efforts to keep the waterway open would dovetail with the position of the U.S. and its allies on the gulf. About 20 per cent of the non-Communist world's oil is shipped from gulf ports. But marine salvage officers say the Soviet ships have yet to link up with Western warships protecting civilian shipping.

The Soviet naval presence also coincides with increased Soviet diplomatic efforts in the gulf. Before 1985, only Iraq, Iran and Kuwait among the gulf states had diplomatic ties with Moscow.

Oman and the United Arab Emirates established relations with the Soviets that year. Saudi Arabia, Qatar and Bahrain still have no diplomatic ties with Moscow.

The U.S., which was in the gulf before the Iran-Iraq conflict broke out in 1980, maintains a six-unit task

force — three destroyers, two frigates and an amphibious landing ship that serves as a command vessel. Britain and France which joined the U.S. naval force since the war broke out, keep two to three vessels in the region.

The foreign warships have not succeeded in protecting civilian vessels that run the gauntlet of Iraqi and Iranian fighter-bombers, helicopter gunships and missile boats.

The Iraqis raid merchant ships in the 110 km. radius they define as a military exclusion zone in the northern sector in order to curtail Iran's vital oil exports. The Iraqis bomb Iranian ships and oil-loading facilities. Iran attacks Arab and neutral shipping in retaliation and often targets vessels linked to countries that Tehran says support Iraq, such as Kuwait and Saudi Arabia. Iranian gunboats also intercept and search ships suspected of carrying war-related cargoes near the Straits of Hormuz, the gulf's southern gateway.

Nearly 300 vessels have been attacked by both sides since 1984 and some 100 seamen killed.

Arab diplomatic sources say that the two Soviet destroyers patrolling the gulf operate from a huge base on South Yemen's Socatra Island.

Western shipping officials who monitor movements in the gulf say one of the destroyers patrols southern sea lanes. The other often is sighted as far as 100 km. to the north near the Kuwait coast.

Arab diplomats say the Soviet ships have so far stayed in international waters.

FOREIGN BRIEFS

French anti-terrorist unit to train Saudis

PARIS (Reuters). — French Interior Minister Charles Pasqua said in an interview published yesterday that France will send an elite anti-terrorist police unit to Riyadh soon to train Saudi Arabian police.

He told the French daily *France-Soir* that members of the anti-terrorist unit would leave France "shortly."

He said cooperation between the two countries on security issues should increase dramatically in the near future.

Saudi submarine contract goes to France

FRANKFURT (AP). — Saudi Arabia has awarded a multi-billion-dollar submarine contract to France instead of West Germany. The *Frankfurter Allgemeine* newspaper reported yesterday.

The contract, which includes construction, maintenance and supply of spare parts for the submarines is believed to be worth between \$3.3 billion and \$4.4 billion, the newspaper said.

U.S. hit by snow, rain, tornadoes

NEW YORK (AP). — A far-flung storm dumped rain in the southeast and snow in the central U.S. yesterday after spawning tornadoes that ripped through three states, killing one person and injuring at least four.

The storm, which also was blamed for three traffic deaths on Tuesday on rain-slick roads in Arkansas, dumped as much as 25.4cm. of snow from Texas in the south to North Dakota in the north central U.S.

Twisters near Palestine and Maydelle in Texas, Hermanville and Jackson in Mississippi, and Ville Platte in Louisiana flattened trees and billboards, damaged barns, mobile homes and at least one department store.

PNC plans April meeting in Algiers

PARIS (AFP). — A provisional agreement to hold a meeting of the Palestinian National Council (PNC) — the Palestinian parliament-in-exile — in Algiers next month has been reached by five Palestinian groups, it was announced here yesterday.

The announcement was made by Abu Jihad, second-in-command of the Palestine Liberation Organization. He said the agreement was reached in Tunis last Sunday between Fatah, the main Palestinian movement, the Marxist Democratic Front for the Liberation of Palestine (DFLP), the Palestinian Communist Party, the Iraqi-backed Arab Liberation Front (ALF), and the Popular Struggle Front (PSF).

Reagan opposes deporting accused Nazi to Russia

WASHINGTON (AP). — President Reagan opposes deporting accused Nazi Karl Linas to the Soviet Union and instead wants Linas to stand trial in the U.S. for war crimes, according to a White House memorandum.

The February 9 memorandum by Patrick Buchanan, then White House communications director, was written to Attorney-General Edwin Meese. It recounts a conversation between Buchanan and Reagan in which the president was quoted as suggesting Linas not be sent to the Soviet Union. Linas, who has been condemned to death by the Soviet Union, has been trying unsuccessfully to find another country that will accept him.

'Bokassa amassed 7,000 diamonds for coronation.'

BANGUI (Reuters). — Former Central African dictator Jean-Bedel Bokassa amassed 7,000 diamonds for his coronation as emperor and diverted over \$2 million of aid from the International Monetary Fund (IMF), a witness said at his trial.

Kanda De Barthelemy, a former worker at the country's treasury, told a court in Bangui Tuesday that vast amounts of money disappeared into a special fund set up by Bokassa to pay for his coronation.

Greek policeman killed by jet blast

ATHENS (AFP). — A policeman was killed and another hurt after their car was caught in the jet blast of an airliner preparing to take off from Athens airport yesterday, police said.

The car, which was on the airport runway, was blown over by the exhaust from the engines of an Olympic Airways Airbus

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Reservists uneasy in Hebron

By JOEL GREENBERG
HEBRON. — IDF reservists stationed in Hebron complained to Chief of General Staff Moshe Levy yesterday that they were confused about their mission in the city and dissatisfied with the army's role of guarding settlers.

Levy rode by the Islamic College, walked through the casbah, and viewed construction work at the Jewish quarter in the old Jewish quarter during his tour of Hebron.

In the meeting with the soldiers at their barracks in the center of the city, Levy heard complaints about poor living conditions, inadequate food and faulty equipment, as well as criticism of the IDF's role in Hebron.

The following exchange took place:

Levy: "To tell you the truth, I don't know what I'm guarding here. I was told that we have to maintain law and order, protect ourselves and the Jews in the area. But I see Jewish women and children walking freely in the casbah, at night, without any protection. What am I guarding? Later they say Jewish blood will not be shed with impunity. If they want me to be here, they should be restricted and children should only walk with adults."

"Otherwise, we're not guarding anything but a stone building, to which I have no ideological commitment. We're not suited for such activity, and besides, I find it difficult to handle the situation politically."



Above Beit Hadassah (IPFA)

Levy: "According to your logic, no one should walk in Jerusalem's Old City, or we should have military escorts for everyone. Or we should limit people there because there was an attack. Imagine a situation in which no one dares to enter the Old City. An empty Old City is not good for us, and we don't want to contribute to it. I don't think that the difficulties of living together mean we have to create an atmosphere in which we have to turn inward, close up and hide."

"By the same token, we could close off the Gaza Strip and West Bank with barbed wire, because a person can go from there and plant a bomb in Tel Aviv. The issue here is to facilitate normal life as much as possible, but for everyone."

Moshe: "From discussions with Jews here we understand that they're ready to guard themselves, but the IDF is opposed because they'll raise hell. There are enough people here, if you include Kiryat Arba, to guard themselves or even the rest of the West Bank. They can manage well without us."

Levy: "Everyone of us has his own thoughts about what should be done and how. We are primarily here because legally we are responsible for the area. There are security matters that the army is responsible for, and our mission is to ensure that Arabs and Jews live safely."

Yuvai: "We're limited here in what we can do, and can't use our guns except when our lives are in danger. A lot of money is spent on IDF reserve duty here, while bringing in the Border Police is really the best solution. They're more suited for this kind of work."

Levy: "Having a gun doesn't mean you have to use it. It's not the aim of your job, and should only be used when there's no alternative. Whenever possible, we will bring in Border Police. They are more professional and know the area and the people better."

Punishment of murderers sparks debate

By JUDY SIEGEL
Jerusalem Post Reporter
Should a convicted murderer in Israel be sentenced by the court to 20, 30 or 40 years in prison? Or should he get a "life term" from the judges that is almost automatically changed from an unspecified number of years behind bars to a maximum term by the president of the state?

This sleeping issue has been aroused by President Herzog's announced intention to set maximum prison terms for the three convicted murderers in the Jewish terror underground, to replace the "indefinite" life sentence handed down nearly three years ago. The setting of a maximum sentence, even if it is 25 years, allows convicted murderers to apply immediately for home leaves, as well as for one-third reduction of their sentence for good behavior.

From 1948 to 1953, murderers got the death sentence. This was then changed to a "life sentence" for convicted murderers. Anyone found guilty of a lesser crime would get a maximum of 20 years in prison, according to the revised law.

A committee of Justice Ministry officials and lawyers met in the early '50s and recommended a custom whereby the president sets a maximum prison sentence for all those

convicted of murder and sentenced "for life." In practice, most of them got a 24-year term, and the maximum sentence was set, on average, five years after the conviction.

Herzog every year deals with about 20 cases of "life terms" that have to be rationed in this way. He also deals with an additional 20 former life-termers whose maximum sentences have been determined (or rationed) and who ask for a pardon or a reduced sentence.

Security prisoners or their families may apply for such rationing of a life-term, but this is almost never granted by the president, who acts on the basis of recommendations from the Justice Ministry. But, very few security prisoners, if any, die in prison of old age. They are almost always set free in prisoner-exchange deals.

So almost no convicted murderer remains in prison until the end of his life, except in those cases where he dies young of an illness, is murdered in prison, or commits suicide.

Some legal experts believe that this presidential custom is beneficial, not only for its psychological effect on prisoners but also as a societal statement. This argument suggests that society gives "life" terms to express its disgust over the taking of another person's life. But the prisoner, who realizes that he does not have to remain in prison forever,



Criminologist Sebbba (David Brauner)

tries to behave well and rehabilitate himself in order to return to freedom.

In fact, however, the prisoner does not have to prove that he is rehabilitated or penitent, and he can get a maximum sentence from the president almost automatically.

Advocates of the more liberal approach note, however, that it is rare for a life-termer to remain so hardened that he rejects rehabilitation. And there are only a handful of cases of former-convicted murderers sentenced to "life" who, after a sentence rationing and parole, get into serious trouble again.

Other jurists disapprove of this presidential custom. Dr. Leslie Sebbba, a senior lecturer in criminology at the Hebrew University law faculty, suggests that the rationing is an "historical anomaly" caused by a revocation of the death sentence and the setting of the 20-year maximum term for anyone who commits a crime less than murder.

He advocates that the Knesset change the law and require the courts to set a mandatory prison term of 24 years or so. Then the president could still intervene with pardons or sentence reductions in special cases.

Sebbba is among those jurists who advocate less individualization of sentence and greater statutory control of the legal procedure.

"Sentencing someone to 'life' and never giving him 'life' is a fiction," explains Sebbba. "Psychologically, it is not justified to threaten a lifetime in prison and then not to carry it out. The role of the president should be to intervene only in special cases, as intended by law."

No MKs have raised the issue of rationing yet, but Knesset initiatives may be expected in the wake of the announcement regarding the three members of the Jewish underground, convicted of murder and attempted murder in the 1982 attack on the Islamic college in Hebron.

Tsur: 'Drop-out' issue is crucial

By ARYEH RUBINSTEIN
Jerusalem Post Reporter
Minister of Immigrant Absorption Ya'acov Tsur yesterday called on U.S. Jewry to become full partners in assuming "social and economic responsibility" for the absorption of Soviet Jews in Israel.

Addressing the visiting delegation of the Conference of Presidents of Major American Jewish Organizations, Tsur said that the way the "Vienna drop-outs" issue is handled will do much to determine the future of Israel-Diaspora relations.

He was referring specifically to Israel's position calling for the abolition of the refugee status automatically granted by the U.S. to every Jew who gets out of the Soviet Union. Tsur said this view is supported by a decisive majority, both in the government and in the Knesset.

In the 1970s, Tsur said, 267,000 Jews left the Soviet Union, and 164,000 of them came to Israel. Only 6 per cent have left the country; 94 per cent are still here. No other wave of aliya had such a low *yerida* rate, he said.

To ensure continued successful absorption of future Soviet immigrants, he said, the master plan on the subject should not be left to Israel to implement by itself but should be adopted by "the Jewish people." The goal is to establish Israel as the primary destination of Soviet Jews, with the by-product of "ending the harmful competition between Israel and American Jewry."

Tsur's other major subject was the 16,000 Ethiopian immigrants who came in 1984. He said that half of them now have permanent housing and that everyone who can work is working. Those between 18 and 30 years of age have been given the option of academic or vocational education. Both in the schools and in the army they demonstrate high motivation.

Tsur said that there is still the problem of how to bridge the gap between their traditional culture and ours.



Another problem is their depression over members of their families whom they left behind in Ethiopia. This was described as "guilt feeling" by Rahamim Eliezer, secretary of the National Council of Ethiopian Jewry, who spoke after Tsur.

Eliezer described the Ethiopian aliya as "a tragedy and a triumph." A tragedy because of the break-up of families and the suffering experienced on the way to Israel. And a triumph for those who managed to get here, even though their vision of Eretz Yisrael as a land of milk and honey was shattered.

Natalie Gordon, president of the Association of Americans and Canadians in Israel, said that singles are the greatest hope of increased aliya from the free countries. Yet singles are "the single most discriminated-against group" — with respect to mortgage loans and other benefits, she said.

Experiment on humans Researcher gives self Aids vaccine

NEW YORK (AP). — A researcher has given himself and several other people an experimental vaccine against Aids, the first officially reported experiment of its type on humans.

Daniel Zagury of the Pierre and Marie Curie University in Paris reports in today's issue of the British journal *Nature* that the vaccine spurred his immune system to create defenses against two strains of the Aids virus.

But the report did not mention any test to see if the vaccine actually will prevent infection with the Aids virus.

In a letter to *Nature*, Zagury and 11 other scientists said the vaccine also was given to a small group of volunteers in Zaire. The letter, which Zagury declined yesterday to discuss, did not say how many Zairians received the vaccine.

In the letter, the researchers said the experiment was prompted by concern that a vaccine which activates only one of two kinds of immune response may not be effective against more than one strain of the virus.

The experimental vaccine was designed to stimulate not only that kind of response but also a second, called cell-mediated response. The hope is that with this kind of response, a vaccine would be effective against more than one strain.

The experiment used a genetically altered "vaccinia" virus. Researchers inserted a gene from the virus that causes Acquired Immune Deficiency Syndrome so that the altered virus would provoke an immune response against the Aids virus.

The letter said that in Zagury's body, the vaccine did activate both kinds of immune response. The cell-mediated response, which involves priming blood cells to attack invading germs, was raised against the strain of the Aids virus used in the vaccine and, to a lesser extent, against a substantially different strain, they reported.

Previous blood tests of Zagury and



Prof. Michel Boiron looks out through the door of the ultra-modern high security Aids research laboratory he directs at Saint-Louis Hospital in Paris. The \$1.17 million lab was inaugurated this week.

The Zairian volunteers showed they had not been exposed to the Aids virus, the letter said.

The letter also said researchers have given a group of Aids patients a preparation designed to induce a cell-mediated response against the virus. The preparation consists of the patients' own blood cells with surface proteins that mimic those of the Aids virus.

Results will be reported later, the letter said.

The letter was signed by three of Zagury's colleagues at the university, three scientists from the Jean Goddard Institute, a private cancer research unit in Reims, and five scientists from Kinshasa.

Rape case strains ties between Beduin, Beersheba neighbours

By BRADLEY BURSTON
For The Jerusalem Post

BEERSHEBA. — Two days ago, when Beersheba District Court Judge Itzhak Shabtai ordered the release of a Beduin man who was found guilty of the attempted rape of a teenager from Omer, the court expressed the hope that the ruling would serve to reduce tensions between residents of the Beersheba suburb and the neighbouring Beduin tribe of Abu Sirhan.

Yesterday, however, following the publication of the decision, the uneasy truce that has characterized Beduin-Jewish relations for some time, seemed more fragile than ever.

The attack occurred early last year, when the 15-year-old girl was walking home from the Omer scouts clubhouse. According to trial testimony, Nasser Abu Sirhan, son of the tribe's sheikh, forced the girl to the ground and attempted to rape her, threatening to kill her if she resisted.

When she screamed for help, Abu Sirhan pulled out a knife and wounded the girl in her neck and hand before making his escape. He was apprehended two days later and charged with attempted rape and aggravated assault.

In pronouncing sentence on Sunday, Judge Shabtai, noting that Abu Sirhan had no prior criminal record, limited the prison sentence he imposed to the 10 months Sirhan had already served, with an additional two years' suspended sentence and a NIS 800 fine. Shabtai declared that a harsher sentence might be interpreted by Abu Sirhan's tribe as an act of vengeance, thus upsetting the delicate balance between the Beduin and their neighbours in Omer.

The decision came at a time of increasing friction between the two communities. Last month, in the wake of the rape attempt, numerous robberies, and an incident in which four Omer youths claimed that Beduin had attempted to kidnap them, former Omer council chairman Bezael Gaber told a *Yedioth Aharanot* reporter that he would not be surprised if groups of Omer youths would soon take action against Beduin "thievery and scheming."

"Court decisions like Shabtai's could convince people that Gaber was right," a neighbour of the girl told *The Jerusalem Post* yesterday. "We all agree that something has to be done to improve relations between Omer residents and the Beduin, but certainly not anything like this. The judge should understand that what happened to that girl is every parent's worst nightmare."

Israeli drone crashed in Nicaragua test

GENEVA (AP). — U.S. Navy tests last month of five Israeli-designed pilotless drones included reconnaissance flights over Nicaragua, a monthly arms industry review said yesterday.

The *International Defence Review* quoted outgoing U.S. Navy Secretary John Lehman as saying that the drones will enter service in June on the USS Iowa and three other modernized battleships.

During the tests, all but one of the

small remote-controlled spy planes crashed after being launched from the Iowa in the Caribbean, the magazine said in its March issue.

The Geneva-based magazine quoted unnamed Israeli sources as saying the flights were over Nicaragua.

The American-made drones are fitted with television cameras and used to spot land targets for battleships' heavy guns, the report said.

How other countries helped Hitler

By YA'ACOV FRIEDLER

HAIFA. — Hitler's Final Solution was as effective as it was because other countries adopted "cool" and "brutal" policies to keep Europe's exits closed, according to William Perl, professor emeritus of psychology at George Washington University.

Perl lectured at Haifa University recently and repeated some of the points made in his book entitled *The Holocaust Conspiracy*, which he hopes to publish.

Perl charged that:

□ The Swiss asked the Nazis to mark

the passports of Jews to prevent their fleeing to Switzerland.

□ The International Red Cross refused to intervene on behalf of Jews as they were an "internal German matter" — until it became clear that Germany would lose the war.

□ The State Department plotted to "forestall pressure" to let Jewish refugees into the U.S. by "taking over" the Evian conference on refugees.

□ King George VI asked the British foreign minister to prevent Jews from fleeing to Palestine.

□ "challenge the concept that Hitler's Final Solution was so effective

because the 'civilized' countries didn't do enough to prevent it," said Perl. "Their was not passive inaction but a coolly conceived and brutally executed policy to keep Europe's exits closed."

Perl, now 80, was born in Prague, lived in Vienna and was very active in organizing "illegal" immigration to Palestine before World War II.

He reached the U.S. in September 1940 and enlisted, rising to the rank of lieutenant-colonel in intelligence and earning four battle stars and a citation in Europe. He later served at the Nuremberg War Trials.

CINEMA

JERUSALEM

Amos: Ruy Blas 6:30, 9; Beit Agmon: Sylvia 4:30, Tony Secret 6:15; Gallipoli 7:45; Tango 10; Monty Python's Yellow Submarine 12 midnight; Cinemascope: Tokyo Story 7; Nostalgia D'un Revue 9:30 (small hall); Jo Taine, Jo Taine 9:30; Dr. No (Candid Camera) 4:30, 7; Edouard: Fire-walker 4:30, 7; Hebraica: Orion's Belt 5:15, 7:15, 9:15; Israel Museum: Bye Bye Brazil 6:30, 9; Jerusalem Theatre: The Hive 6:45, 9:15; Kfir: Platoon 4:30, 7, 9:15; Mitchell: The Fly 7, 9; Orly: The Color of Money 4:15, 6:45, 9:15; Orion Or 1; Crocodile Dundee 7:30, 9:30; Crocodile Dundee 7:30, 9:30; Orion Or 3; Jumpin' Jack Flash 4:30, 7, 9; Big Trouble in Little China 10:30 a.m., 12:30; Pizitz's Honor 11:30 a.m., 8:30; Orion Or 4; Jumpin' Jack Flash 4:30, 7, 9; Karpis Kid 10:30 a.m., 12:30; Orion Or 5; Orion Or 6; The Killing Fields 8:30 a.m., 12:30; New Hampshire Friends 10:30 a.m., 12:30; New Hampshire House 10:30 a.m., 12:30; Orion Or 7; Orion Or 8; House of the Living Dead 4:30, 7, 9:15; Sennar: My Beautiful Laundrette 7, 9:15.

TEL AVIV

Beit Leizman: Sleeper 11:15 p.m.; Ben Yehuda: The Big Gag (Candid Camera) 4:30, 7:15, 9:30; Orion Or 1: "The Color of Money" 4:15, 6:45, 9:15; Orion Or 2: Joshua Then and Now 7:25, 9:45; Orion Or 3: The God Must Be Crazy 5, 7:25, 9:45; Orion Or 4: Malcolm, 11, 2, 5, 7:30, 9:40; Orion Or 5: Ruthless People, 11, 2, 5, 7:30; Orion Or 6: 9:30 p.m.; Orion Or 7: 7:15, 9:30; Orion Or 8: 7:15, 9:30; Orion Or 9: 7:15, 9:30; Orion Or 10: 7:15, 9:30; Orion Or 11: 7:15, 9:30; Orion Or 12: 7:15, 9:30; Orion Or 13: 7:15, 9:30; Orion Or 14: 7:15, 9:30; Orion Or 15: 7:15, 9:30; Orion Or 16: 7:15, 9:30; Orion Or 17: 7:15, 9:30; Orion Or 18: 7:15, 9:30; Orion Or 19: 7:15, 9:30; Orion Or 20: 7:15, 9:30; Orion Or 21: 7:15, 9:30; Orion Or 22: 7:15, 9:30; Orion Or 23: 7:15, 9:30; Orion Or 24: 7:15, 9:30; Orion Or 25: 7:15, 9:30; Orion Or 26: 7:15, 9:30; Orion Or 27: 7:15, 9:30; Orion Or 28: 7:15, 9:30; Orion Or 29: 7:15, 9:30; Orion Or 30: 7:15, 9:30; Orion Or 31: 7:15, 9:30; Orion Or 32: 7:15, 9:30; Orion Or 33: 7:15, 9:30; 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O Kaye by me

Victor Perry

I'VE ALWAYS wondered if I didn't have something to do with Danny Kaye's big love affair with Israel, perhaps by having given him a guilty conscience. With his recent death, I'll now never know. But the story of what may have been his first "involvement" with Israel may be worth retelling.

It happened in Rome during Israel's War of Independence in December, 1948, when Danny Kaye passed through and I was there as an instructor in a "secret" flying school for pilots in Israel's fledgling Air Force.

The school, which was located just north of the city in a villa once used by the author Ignazio Silone, was about to graduate its first, and only class of pilots. Some 30 men had undergone six months of basic training, which included flying lessons out of the little-used Urbe airport. (It was there that Buzz Buerling, the famous Canadian flying ace, had met his death the previous summer in a landing accident while on his way to join the Israeli air force.)

I was one of some half-dozen volunteer instructors at the school from the U.S. and South Africa, all World War II air force veterans.

I HAD BEEN nominated to arrange the programme for our graduation ceremony and party to be held in town. After that, the school would be moved to Israel. With the help of an Italian friend I found a small band and some "nice Jewish girls from good families" who with proper chaperoning, agreed to come to the party.

But what about a feature attraction? The obvious answer came with a brief item in the Rome *Daily American* that Danny Kaye was in town. I knew he had a strong Jewish background, so why not try. But how to get to him, and without revealing too much of our secret presence in Rome?

It so happened a story about our school's presence in Rome had appeared a few days earlier in the *International Herald Tribune*. Figuring that it would make good bait, I clipped the article and put it in an envelope with a short note saying, in effect, that I was connected with the subject of the article and wanted to speak to him about it. I left it at the desk of the Excelsior Hotel on the Via Veneto, where he and his wife, the lyricist Sylvia Fine, were staying. I called the next day and got the

expected "short stop" in the person of Danny Kaye's manager. But I was quickly put through once I identified myself. I was as circumspect as possible over the phone, adding only a few details to whet his appetite. He invited me to come to see him the following evening.

I DECIDED to take one of the leading Israeli trainees with me. After all, I was an American like Danny Kaye. My escort was the real thing.

The manager was a young, brash-looking and talking young man with a solid New York accent and a manner that made you think of the book, *What Makes Sammy Run?*

Seeing Danny's interest in us and our work, we began with a few details to arouse his appetite, saving our request for the end. His enthusiasm grew and by the time we reached the punch line he was ripe. He would consider coming to our graduation party, he said, to do "just a little entertaining", provided there was no publicity.

We assured him that the event would be held in a private hall with a very few guests, and that we would maintain complete discretion.

At that point his manager objected. Danny had just completed a movie, *The Inspector General*, he explained. Millions of dollars had been invested in it and it was soon going to be released. He couldn't allow the risk of harming the production if it became known that Danny Kaye had become involved with "that war" going on in Palestine. Besides, the movie would also be distributed in Arab and Moslem countries.

Our assurances were of no avail and Danny, who at the beginning seemed to be looking for a way to go along with us, soon fell into line with his manager. To show his regret, he invited us out for dinner. I steered the party to my favourite restaurant, the Re Degli Amici, just below the Spanish Steps. We made quite a splash coming in there. It didn't put a crimp on Danny, however. It just seemed to make him more ebullient.

IDIDN'T know whether this was the real Danny Kaye or an act in keeping with his public personality. Whichever, it was most entertaining. It didn't stop my colleague and me from giving him a little lecture about Israel, our pilots' school and Zionism, as well as an invitation to visit us in Israel. His wife, listened intently



Danny Kaye does a customs officer's cap on a visit here. (N. Ben-Ami)

and commented intelligently from time to time but let her husband have the floor.

By the time dessert came round, I had an idea for winding up the evening.

"Just around the corner from here," I told Danny, "one of your movies is playing, *The Kid From Brooklyn*. It's dubbed in Italian and I think you'll get a kick out of it."

We sneaked into the movie quietly when it was halfway through. The doorman didn't want to let us in until we convinced him that the real Danny Kaye was with us. We also sneaked out quietly before the end to avoid being mobbed by the crowd. Danny was quite spellbound by the spectacle of himself and his fellow actors spouting perfect Italian, especially in the fast numbers, where the lip synchronization was so good you could hardly tell it was dubbed. He also laughed heartily with the audience.

Driving back to the hotel I could see he was uneasy. "Is there anything I can do for you guys?" he asked. I don't remember what my colleague responded, but I said, "Yes, you can call my mother in Los Angeles when you get back home and tell her you saw me hale and healthy." He promised to do so, but I didn't put too much stock in it.

A few weeks later, after we had moved to Israel, I got a letter from my mother saying that Danny Kaye had called her with my regards. In fact, he called her again a couple of weeks later to find out how the school and I were doing.

I didn't see Danny Kaye again until some 15 years later, when I ran into him in the lobby of the old Sheraton Hotel in Tel Aviv. By this time he was a familiar figure in Israel, hobnobbing with Israeli personalities and entertaining soldiers, especially those recovering from injuries in the hospitals.

He didn't recognize me until I reminded him of our encounter in Rome. I got the definite impression he didn't want to be reminded of the incident.

Could he have had a guilty conscience? If he did, he surely made up for it.

Spangler runs again

Visitors favoured in marathon

By JACK LEON

TEL AVIV. - Italian Armando Scozzari, England's David Clark and Frenchman Michel Constant are the three favourites for top honours at Hapoel's seventh Tel Aviv Marathon, which gets under way at 9.30 today opposite Histadrut headquarters on Rehov Arlosoroff. The full 42km. race is supplemented by a 21km. half-marathon and a 4km. mass-run for all comers, with registration for the latter event open at the starting point until 8.30 this morning (entry fee is NIS 4).

Taking part in the half-marathon will be 88-year-old American Paul Spangler, who this week has astonishingly already run - and completed - on consecutive days the eight kilometre cross country, and 10 and 25km. road races at the veterans championships here.

Scozzari, Clark and Constant all have best times of 2 hours, 16 mi-

nutes or under for the classic distance, with 37-year-old Scozzari's 2.14 equalling the Israeli marathon record set up by Rhodesian Kevin Shaw at the 1978 Galilee race. The Tel Aviv record is held by England's Kevin McGee, who clocked 2.22.34 in 1983.

Clark, 43, last year's New York and San Francisco over-40 marathon champion, is one of 30 overseas participants in both the marathon and "mini" race who still have the strength for further endeavours after competing in this week's World Veterans Cross Country and Road Race Championships here.

A total of 200 runners - with only a handful of women amongst them - are anticipated for the marathon, while a last-minute burst of entries has brought the "mini" total to 1,500.

Most regrettably, no Israeli runners are taking part in the full marathon. The home

challenge is led by Zlon Naggari and Avi Appel. Israel's indomitable Roni Saydon is favourite for the women's title. Zahava Shapell is scheduled to compete in the half-marathon.

The meet is organized by Hapoel, in conjunction with the Tel Aviv Municipality and Yediot Aharonot. The marathon and half-marathon both follow a route from Arlosoroff along Bloch, the Giv'at Yehuda Bypass and Rehovot, past the Muna Auditorium to Dizengoff, then on the Rehovot, the "PB" Junction near Zohara, Derech Beryta, Abba Hillel and Hallel in Ramat Gan, Shikma Bavi and Beal Dan. The shorter run returns to Arlosoroff via Brandeis, while participants in the full marathon go back directly to Rehovot and then cover the same route to Beal Dan a second time. The "fun run" ends at the Tel Aviv Sports Centre.

To give free way to the athletes, police will close some streets along the route for varying periods between 8 a.m. and 3 p.m. Motorists are asked to leave their cars at home if possible and go to Tel Aviv by public transport.

Hapoel last night held the traditional pre-marathon pasta party for competitors at the Tel Aviv Hilton.

TENNIS

Amos' habit

Post Sports Staff

Amos Mansdorf continued on his winning ways when he moved to Rotterdam from Czechoslovakia for the Grand Prix \$315,000 tournament there. In the first round he vanquished Menno Oosting, no mean opponent in his own homeland, 6-3, 6-3.

The match opened according to the rule-book, with each player holding his service, until the score was 3-3. Mansdorf then ran amok, taking six games in a row, to bring the score to 6-3, 3-0. Oosting rallied thereafter to hold his service until the final game gave Mansdorf a 6-3, 6-3 victory.

In Orlando, Florida, top seed Jimmy Connors had some difficulty beating qualifier Kelly Evernden of New Zealand 7-6, 6-2.

CRICKET

Viv confuses

DUNEDIN, New Zealand (AFP). - Captain Viv Richards single-handedly restored some of the West Indies' battered cricketing pride when he led his side to a 95-run victory over New Zealand in the first one-day international here yesterday.

Richards contributed a magnificent century to the West Indies' total of 237 for nine wickets and then snapped up five wickets with his medium-pace seam bowling as the Kiwis were bundled out for 142.

Richards was obviously delighted with his bowling. "I got a little bit confused about the sort of balls I was bowling. But if I was confused, the Kiwis were confused a lot more," he said.

The West Indies' victory followed a dismal one-day series in Australia earlier this year and a heavy Test defeat by New Zealand at the week-end.

New Zealand's decision to make the West Indies bat first appeared justified when the visitors were left struggling at 50 for three wickets.

Then Richards came to the rescue, joining new captain Carl Hooper at the crease and adding 121 for the fourth wicket before Hooper was out for 48. Richards went on to score 119, his tenth century in one-day cricket.

125 innings latered 18 fours and four sixes. New Zealand, required to score more than four and half runs an over, were never in the hunt.

The match ended as it began with Richards in total control. He took his five wickets for only 41 runs.

BASKETBALL

Cibona triumph in Cup Winners' Cup

NOVI SAD, Yugoslavia. - Cibona Zagreb of Yugoslavia captured another European trophy by beating Scavolini Pesaro of Italy 89-74 in the European Cup Winners' Cup basketball final.

Israeli Tod Warnik won praise for his fine job of refereeing.

Rabbi Peli's postbag

Herb Keiron



Pinchas Peli

And some readers are not satisfied with letters. Sao Paulo's Ernesto Strauss, on a visit to Israel, called Peli and insisted that they meet. "He was very persistent," Peli says, "and I thought it was really something important."

Strauss wanted to know whether Peli minded that he and two friends meet each week in a Sao Paulo cafe and discuss Tora Today over a trefl meal. Peli, reserving judgment, responded that he is glad the three men enjoy the column. "I told them that what they eat is between them and God."

PELI MAINTAINS that this knack of reserving judgment is one of his guidelines when writing the column. "Tora Today is an essay, not a sermon," he says. "The goal of a sermon is to get people to act in a certain manner. The goal of my essay is to show people how relevant Tora is today. I am writing essays; I am not preaching."

This philosophy, according to the professor raised in Mea She'anim, is what gives the column its wide appeal. "This column is read by Jews and gentiles, clergy and laymen, religious people and atheists. You can't preach to an audience like that. You can only study with them."

Nevertheless, some of his letters

come from rabbis and "vicarious rabbis" who say they use Peli's column for their weekly sermons.

Edward Baker, from Beachwood, Ohio, is one example. Two years ago he wrote Peli saying that since his congregation is "in between rabbis," he has taken up the task of delivering the weekly sermon. "However, since I am not a Talmudic scholar, I used your articles as a basis for my sermons."

In 1985, when Baker wrote, readers of *The Jerusalem Post International Edition* were still receiving the Tora Today column that dealt with the preceding week's Tora portion. And this presented a logistic problem for people like Baker. "One of the congregants asked me why I always talked about last week's portion. Now the jig was up! So I had to confess that I was not the scholar he thought I was."

Since that time, much to the relief of sermonizers like Edward Baker, the column dealing with the current week's portion is placed in *The Post's* international edition.

BUT PELI does not only receive letters from people thanking him for what they have learned from his column. He also has received quite a few pieces of mail from those trying to enlighten him.

Rev. Alexander Shaw, a "gentle Christian minister of the Church of Scotland with 18 years experience," sent Peli three "devotional" articles that he sent to his congregants in Scotland. "If I can ever be of any help or assistance to you," he wrote, "I would count it a privilege to serve."

About half the letters, Peli estimates, come from Christians. "They are interested in the way Jews read the Bible, how it differs from their own reading. They seem fascinated by how a Jewish rabbi in Jerusalem interprets the Scriptures."

Peli, a professor of Jewish thought and literature at Ben-Gurion University, says he has learned quite a bit from his hundreds of letters. "Everybody approaches Tora from his own perspective. I have received letters from psychologists who look at the psychological aspects of a particular chapter or verse, and from lawyers who look at Tora with a modern legal eye."

"Many of the letters deal with one particular point in one particular column, and I have learned from these letters," says Peli who, after being ordained a rabbi in Jerusalem, went to New York and studied under Abraham Joshua Heschel and Joseph Dov Soloveitchik.

The son of a rabbi who used to share words of Tora with his family, Peli says that the letters that bring him the most satisfaction are from people who say they use the column in Tora study with their families. "This," he said, "is what the column is all about."

Arsenal's anguish

LONDON (Reuter). - Arsenal's English First Division title hopes suffered another blow when they were held to a goalless draw at home to Nottingham Forest on Tuesday night.

The fans seemed to be getting the message, only 18,352 turned out after Arsenal's exit from the Football Association (FA) Cup on Saturday at the hands of Watford and the league defeat by champions Liverpool a week ago.

Arsenal, although with a game in hand, now trail Liverpool by nine points and may have to look to tie in the league cup final where they meet - Liverpool.

Other British soccer results: English Division Two - Sheffield United 1, Crystal Palace 0; Stock 3, Sunderland 0.

Scottish FA Cup fifth round replay: Motherwell 0, Hearts 1. Scottish Premier Division: Dundee 0, Rangers 4.

MUSIC REVIEW

Reunion with a legend

BORIS GOLDSTEIN, violin, with Julia Goldstein, piano. (Jerusalem, Leo Modell Hall, March 17.)

FOR MANY in the audience this recital marked a reunion with a legend. Boris Goldstein was a child prodigy who for some 30 years was virtually silenced by the Soviet regime. Now well advanced in years, he lives with his family in Germany where he teaches and performs.

The recital itself was something akin to stepping into a time capsule: this is how it was done in Russia 50-odd years ago. Mozart with an aggressive, virile edge, Franck extroverted and emotional, Bloch as if the Swiss composer were hoary old Solomon himself, and the virtuosos chestnuts at the end (plus three encores) sizzling with musicianly showmanship. All this tempered by the fact that Goldstein is no wonderkid any longer but a fine artist of supreme musical taste and sensitivity.

To everything he plays, Goldstein brings the dignity of wisdom and experience, never overlooking - or overdoing - a subtle wrinkle in the eye which the audience hears as an almost experimental playfulness of approach to the score.

Goldstein was accompanied by his daughter, an exciting virtuoso pianist who has already proven herself in international concerts and competitions and who deserves to be heard in her own right. The two of them are a paradigm of artistic rapport, and this listener emerged from the time capsule enlightened and refreshed.

DANIEL ZIFF

HEBREW UNION COLLEGE
JEWISH INSTITUTE OF RELIGION
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Our modern factory boasts the finest machinery and equipment, which are certainly not inferior to those of Kiryat Haplada.

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Phone bills offer evidence

SEC: How it was done

By JOSEPH G. RAPPAPORT
For The Jerusalem Post
NEW YORK. — On March 13, 1986, at 11:33 a.m., David Sofer picked up the phone at a desk he used in the New York office of Phillips Bros. and called Nahum Vaskevitch in London.

The call lasted three minutes. Four minutes later, at 11:40 a.m., Sofer purchased 3,000 shares — valued at a bit less than \$90,000 — of Herman's Sporting Goods Inc. stock on the New York Stock Exchange.

It was overseas calls like these — at least 50 of them over a year-and-a-half — that allowed millionaire investor David Sofer to profit from tips given to him by Merrill Lynch executive Nahum Vaskevitch, the U.S. Securities and Exchange Commission (SEC) charged last week.

Calling it a "massive insider trading scheme," the SEC requested and received an immediate freeze of the assets of Vaskevitch, Sofer and two Sofer-controlled companies.

In the complaint, the SEC describes in detail the exchange of information between Vaskevitch and Sofer, who together earned more than \$4 million from transactions involving at least 12 companies. Vaskevitch was fired from his job with Merrill Lynch on Friday.

The SEC began its investigation last August after routine surveys of trading patterns by New York Stock Exchange's computers indicated unusually heavy trading in the stocks of several of the companies just before public announcements of take over bids.

In New York, Sofer made calls to Vaskevitch's London office and home from his room in the exclusive Regency Hotel on Park Avenue and the offices of two Wall Street com-

panies, according to the SEC. He also made calls from the Fort Worth, Texas, home of an associate, Louis Barnett, and from other phones throughout the U.S. using a credit card.

In some of those calls, Vaskevitch fed Sofer information about deals in which Merrill Lynch did not have a direct role, the SEC said.

Joseph Frankel, a cousin of David Sofer's who is a money manager at Russo Securities and who executed the transactions, took the Fifth Amendment when the SEC subpoenaed him.

But more often, Sofer learned up-to-the-minute information about deals involving Merrill Lynch — including some London deals in which Vaskevitch may have played a leading role as managing director of the company's London mergers and acquisition department, the SEC said.

Sofer then used the two companies he exclusively controlled — Plennier Ltd. and Meda Establishment — to make the purchases. He used two small New York trading firms, Russo Securities Inc. and MKI Securities Inc., as his brokers.

Joseph Frankel, a cousin of Sofer's who is a money manager at Russo and who executed the transactions, took the Fifth Amendment against self-incrimination when the SEC subpoenaed him about these transactions.

One typical example: The Herman's Sporting Goods, Inc. trades. In less than a month, Plennier, controlled exclusively by Sofer, made \$263,988 by using insider information, the SEC charges.

In December 1985, Herman's and W.R. Grace and Co. enlisted Merrill Lynch as their financial adviser in seeking a buyer for Grace's holdings in Herman's. By late February 1986, the search for a buyer had reached across the Atlantic: Dee Corp., a British firm, was interested in Herman's.

By February 27, the phone calls from Sofer to Vaskevitch resumed — phone calls in which Sofer received inside information on the progress of the negotiations between Dee, Grace and Herman's, according to the SEC.

The SEC alleges that Sofer called Vaskevitch's home and office at least 20 times during this month-long period, lasting from several minute-long calls to one 15-minute-long conversation to Vaskevitch's home that ended at 11:01 p.m. London time on March 9.

Sofer allegedly followed that particular conversation the next day with four separate purchases of Herman's stock, including one 15,000-share purchase, valued at about \$450,000.

As Sofer bought — he made a total of 10 purchases and a friend, Michael G. Jesselson, also made nine purchases — Herman's stock price shot up from \$29.25 to \$32 a share — although there was no public announcement of any negotiations.

Dee did decide to purchase Herman's, and Sofer and Jesselson sold their stock. Together, the purchases brought in a total of \$635,988 in profits.



Nahum Vaskevitch

Merrill's whiz kid

By DAVID HOROVITZ

LONDON. — Reporters from Britain's national newspapers have been doorknocking at Nahum Vaskevitch's \$2 million Hampstead home since news of his indictment on insider trading charges reached these shores in the middle of last week. But even these persistent and witty hacks have been unable to catch a glimpse of, let alone get a quote from, the 38-year-old former chief of Merrill Lynch's British mergers and acquisitions department.

The front door of 93 Reddington Road remains resolutely shut. The telephone is usually off the hook, but earlier this week his Israeli wife, Ariella, spoke to *The Jerusalem Post* by phone saying that Nahum was not with her at the family's Hampstead home. Asked whether he had left England, and was planning to do so, she said only: "I can tell you nothing more."

Pressed as to whether her husband denied the Securities and Exchange Commission (SEC) charge that he used privileged information to make \$4m. for himself and others, she said: "Yes, but again I can tell you nothing more."

The allegations that he used confidential information regarding 12 impending mergers and takeovers have done a lot to lower the profile of this former City whiz kid.

Vaskevitch was known in the trade as an ambitious and bright manager, who had cut his teeth at the merchant bankers Hill Samuel and Co. before moving on to great things with Merrill Lynch. He joined

the No. 1 U.S. brokerage firm in 1981 and became something of a specialist in arranging cross-border acquisitions, pulling together buyers and sellers from different countries.

Vaskevitch grew up in Israel, and, after army service, came here to study at the City of London Business School. He graduated from there in 1973 with the firm intention of going back to Israel to run his family's tobacco business. But, as he told the influential magazine *Acquisitions Monthly* in an interview last year, "The course that I took involved me in a six-month training course with Hill Samuel, and during those months I got hooked on the City."

Taken into the bank's credit analysis department, Vaskevitch rose by 1977 to head Hill Samuel's newly formed mergers and acquisitions section. He was headhunted by Merrill Lynch to set up a similar department at its London operation. By the time SEC filed its suit in federal court in New York last week, Vaskevitch was running a department of 10, having supervised over 100 mergers and acquisitions in the past five years.

An earnest-looking, bespectacled man, he had built up a solid reputation as a shrewd executive, with excellent contacts in Britain and, particularly, the U.S.

Although Merrill Lynch had been cooperating with the SEC in its investigation of Vaskevitch's share dealings for several months, he apparently never suspected that he was under surveillance.

Merrill Lynch suspended Vaskevitch as soon as charges were filed, and fired him a day later. "For failing to give the company a satisfactory explanation of his dealing activities,"

For the moment, then, the former high-flyer is lying low. He has been ordered to appear for a hearing in the U.S. tomorrow, but unless the U.S. Justice Department presses criminal charges against him, he cannot be extradited from Britain.

David Sofer

Tel Aviv trader sets sights on Wall Street

By DAVID ROSENBERG
Jerusalem Post Reporter

For much of the past three years Jerusalem-based investor David Sofer has been outside Israel, shuttling between New York, California and Texas. The civil suit filed by the U.S. Securities and Exchange Commission (SEC) last week, which charges that the object of his frequent travels was to buy and sell shares based on insider information, has not affected his lifestyle much.

Calls to his Tel Aviv home go unanswered, and a secretary at his company, Jordan Investments Ltd., says he is abroad. She doesn't know where he is or when he will be returning, although rumours have it he is in Europe. A hearing on the

deals that Sofer had his first brush with the law. The shares traded for stakes in two real estate concerns, Neve Mili Co. and Dizengoff Centre Ltd., ended up in the hands of private investors and wended their way on to the market. The shares were not issued with a prospectus, as required by law with publicly traded stocks, and the police threatened to launch an investigation into the matter in 1977.

The affair blew over quickly, after Sofer and partners agreed to make amends.

The sharp rise in Jordan shares, as was inevitable, led to an equally dramatic plunge in the last half of 1977. But the downturn didn't seriously affect Sofer and Barnett's operations: The market had seriously overvalued the company to begin with, but using the paper profits they had earned on it, they were able to turn it into a serious investment holding company. The only real setback to Jordan came with the collapse of Originalia Petroleum Co., a U.S. wildcatter that Barnett controlled, which collapsed in 1982.

Among Sofer and company's most notable coups was its \$18m. purchase of the Jerusalem Hilton in 1982, undercutting a bid by another investor group and buying the property at a bargain price. However, Sofer's attempt three years later to take over Ampal bedfired: the group of investors he led into the takeover bid under the name Plennier were blocked by Bank Hapoalim. Sources say that the bank was angered about money Sofer owed it and refused to sell its stake in Ampal.

Whatever the reason, the investor group acquired only 20 per cent of Ampal and was left owing \$8m it had borrowed to finance the takeover and \$600,000 a year in servicing costs.

Plennier is also one of the two concerns the SEC alleges were used to warehouse the profits Sofer and Vaskevitch allegedly acquired through insider trading.

How Vaskevitch and Sofer formed their alleged partnership is not spelled out in SEC documents. What is known is that between 1984 and last week, Sofer had travelled extensively between Barnett's Texas home, Beverly Hills, California, and New York City. The SEC also has records showing that Sofer placed at least 50 long-distance phone calls to Vaskevitch during that period, at home and at work. SEC officials were reportedly surprised to find that the pair made no effort to hide the calls. Accustomed to Bezek's and British Telecom's more primitive billing systems, Vaskevitch's ex-boss at Merrill Lynch speculated in *The Wall Street Journal*, the two did not realize the American telephone companies itemize all calls.

Despite the evidence to the contrary, Sofer told the SEC last September that he knew no investment bankers and categorically denied any connection with Vaskevitch.

It was the result of certain of these

Now it's up to Vaskevitch, Sofer

It's now in part up to David Sofer and Nahum Vaskevitch as to the next step in the insider trading case against them, according to an SEC source.

Their next opportunity to respond to the U.S. Securities and Exchange Commission (SEC) charges, filed March 11, will be tomorrow at a hearing in Federal District Court in New York.

If Sofer and Vaskevitch, or their lawyers, do not show up, the judge would likely issue a temporary restraining order by default, according to Thomas C. Newkirk, chief litigation counsel for the SEC. If they do show up, they may challenge the SEC request.

The injunction would prevent trading by Sofer and Vaskevitch and two Sofer-controlled companies. It would also continue to freeze their assets in the U.S.

Federal District Court Judge Robert Carter issued a similar, limited temporary restraining order in the case on March 11, requested by the SEC because of the "sense of urgency" needed to "halt the truly egregious behavior," by Sofer and Vaskevitch, according to SEC spokeswoman Mary McCue.

The freeze on assets was requested because the SEC believed that the two men, who are not U.S. citizens or

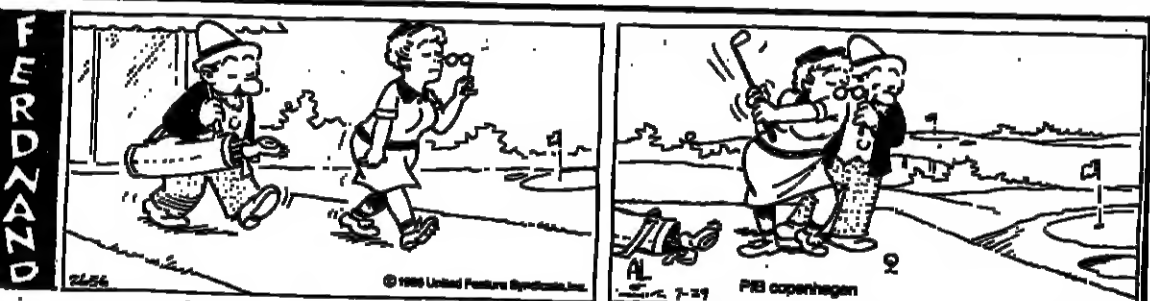
residents, might attempt to transfer the assets out of the country and out of SEC reach.

Newkirk would not comment on whether the SEC was talking with Sofer, Vaskevitch or their representatives and would not indicate if they were likely to appear in court.

Meanwhile, it is unclear if and when criminal charges against the two will be filed, as has been the case with every other recent insider trading case on Wall Street.

A spokeswoman for Rudolph Giuliani, the U.S. attorney in Manhattan, would not comment on the case.

(Joseph G. Rappaport)



CROSSWORD

- ACROSS**
- Cost of insuring against the extra expense of dining out? (5,6)
 - At last he starts to warm up (4)
 - The highest speed the union will grant for the job (7,4)
 - The Bohemian girl? (4)
 - Erudite composer shown the way round (7)
 - Nip in to make a song about indulging in sly criticism (7)
 - Called me in and moved out (5)
 - Down-to-earth Argentine winger (4)
 - Second class letter? (4)
 - Quick-firing gun for a Scottish territorial detachment (5)
 - Outwardly disheartened, as it were, we crouched in fear (7)
 - The squad the good soldier Schweik was in? (7)
 - The god of love and discord (4)
 - It helps one to forget (5,6)
 - The German politician favoured by the dark-eyed Arab maid? (4)
 - Pack for a journey, maybe (7,2,2)
 - Full-scale transport strike in Algeria? (4)
 - The girl I object about (4)
 - Golfers who enjoy being in society (7)
 - Breezy tunes? (4)
 - Acquired territory in the Baltic? (7)
 - Canadian town doctor's top gear? (8,3)
 - Most of their members are likely to be on the fiddle (6-5)
 - In all probability they go off to work before breakfast (5-6)
 - It may come in useful for keeping down the bills (11)
 - Had the temerity to pop round the Royal Exchange? (5)
 - Fresh pies with a fine brown colour (5)
 - Man who wrote a lot of nonsense about the cricketers' ball (7)
 - A pools enthusiast, perhaps (7)
 - The tramp doesn't have them to ensnare (4)
 - Issue a period return? (4)
 - Dress up, as Gascons do (4)

Yesterday's Spelling

MASTERSTROKE
T A T A B E I
H A I N E S S A N T O N Y M
A T I O N I S T
N O I S E M S C R I M P S
K N U N E E R
F O I S T D E C A D E N C E
U E O
L O R E N G R I N S T E E R
N O E T U M E
E P E R G E N E I M P R E S S
S O L M N E R
S L O V E N E E R O S I O N
M C N N R C T
U N I T E S T A T E S

QUICK SOLUTION

ACROSS: 1 Apple, 4 Source, 9 Examine, 10 Cases, 11 Sink, 12 Improve, 13 Jam, 14 Aria, 16 Need, 18 Bet, 20 Bandage, 21 Ajar, 24 Erude, 25 Sparkle, 26 Shriek, 27 Exit, 28 Occupant, 29 Restore, 30 Easter, 31 Denim, 32 Japanese, 33 Rancour, 34 Abbeas, 38 Beasi, 39 Breezy, 42 Joker, 43 Wage.

QUICK CROSSWORD

- ACROSS**
- Result of game
 - Assign to office
 - Foetish
 - Beverage
 - Happening
 - Outburst of applause
 - Learning
 - Crown
 - Clothes-maker
 - God of love
 - Treble
 - Characteristic
 - Well done!
 - Vituperative
 - Remainder
 - Intimidate
- DOWN**
- Clergyman's salary
 - Sheeplike
 - Give a right to
 - Mooring device
 - St Anthony's city
 - Original
 - Symbol
 - Portent
 - Seems
 - Go back
 - Revolve
 - Staid
 - Audibly
 - Farewell

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Tel Aviv: Arlosoroff, 75 Arlosoroff, 230746; Kupat Holim Meccabi, 25 King George, 282950.
Be'er-Sheva: Kfar Sava, Arza, 36 Ostrovski, Ra'anana.

Netanya: Karniell, Kiyat Nordau commercial centre, 51774.
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Netanya: Laniado

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Dan Region *781111 Patah Tikva *923111
Ellat 7233 Rehovot *451333
HaDora 22333 Rehovot LeZion 94233
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Rate of return high

Barclays net off sharply

By PINHAS LANDAU
Post Finance Reporter

Barclays Discount Bank yesterday announced a pre-tax profit of NIS 28.2 million for 1986 and a net profit of NIS 9.4m., drops of 26 and 18 per cent, respectively, on inflation-adjusted results for 1985.

Nevertheless, they left the bank with a rate of return on capital of 55 per cent in gross terms and 18 per cent in net terms — unusually high levels by international standards and currently unsurpassed in Israel.

The small bank, owned by Israel Discount and the London-based Barclays Bank International, is almost certain to be the most profitable Israeli commercial bank for the second year running. Managing director Moshe Neudorfer told a press conference that the Barclays International board members considered Barclays Discount one of its most profitable units.

The decline in profit was ascribed by Neudorfer to the shrinking profit margins and frozen commission rates that affected the entire banking system last year. Barclays Discount prevented as sharp an erosion in its

earnings as other banks by rapidly building up a portfolio of loans denominated in unlinked shekels — the most profitable area of business for the banks.

Thus, while total loans to the public grew 23 per cent to NIS 315m., — in itself a significant growth rate — almost half this total was comprised of unlinked shekel loans, Neudorfer revealed. Shekel loans more than tripled at Barclays during 1986, while in the banking system as a whole they rose by 130 per cent.

The balance sheet as a whole only rose 1.4 per cent over the year, to NIS 105.6b., while deposits from the public declined by a similar margin, to NIS 870m. both, in inflation-adjusted terms. This reflected the erosion of dollar-denominated deposits in a year when inflation ran at 20 per cent while the dollar/shekel exchange rate was frozen.

A notable feature of the Barclays results, as with those of First International released last week, was the sharp fall in the level of set-offs for bad debts. These amounted to NIS 1.9m. in 1986, a fraction of the NIS 13.5m. allotted in 1985. The bank's

tax bill fell slightly as a percentage of gross profit, from 70 to 66 per cent.

Neudorfer noted that if the proposed reduction in corporate tax rates is passed by the Knesset, 1987 should see a much smaller tax bite.

The bank paid a total dividend to its shareholders of NIS 1.6m., with the rest of the net profit added to shareholders' equity. That brings shareholders' equity up over 15 per cent, from end-1985 levels. At almost NIS 60m., Barclays Discount's equity represents 5.6 per cent of total assets, a level considered adequate by international regulators. In addition, the bank has NIS 22.3m. of subordinated capital notes which would be considered secondary capital in other countries, but are not by the Bank of Israel.

Because its loan portfolio is very small when expressed as a percentage of total assets, the ratio of equity to loans to the public was an unusually high 19 per cent, further underlining the very solid capital adequacy level the bank now boasts. Despite last year's growth, loans to the public were less than one-third of total assets.

Wages in areas up 12% in '86

Wages for West Bank and Gaza residents increased and unemployment fell in 1986, the Central Bureau of Statistics reported, Tuesday.

The bureau's figures showed that daily wages were up a sharp 12.4 per cent from 1985 for West Bank residents and an even bigger 20.6 per cent for Gaza workers. Wages had declined 5.3 per cent in 1985 from 1984 for West Bank residents and 12.7 per cent for Gaza residents.

The wage hikes are measured against the local consumer price index.

For the 51,000 West Bank residents working in Israel, 31 per cent of the territories' work-force, or 51,000 people, an 8 per cent increase from the previous year. Some 46 per cent of Gaza's labour force was employed in Israel in 1986, up about 2 per cent from last year.

The bureau attributed the rise in area residents working in Israel to increased employment in construction. Meanwhile, unemployment for the West Bank and Gaza Strip fell to 3 per cent, compared with 3.6 per cent in 1985. In the West Bank, unemployment was 3.8 per cent, dropping from 5 per cent the previous year, and in Gaza it was 1.5 per cent.

The combined West Bank and Gaza work-force increased by 7 per cent last year, the bureau said, to an average of 269,000 persons per week. Labour force participation increased to 36.1 per cent in 1986, compared with 34.8 per cent in 1985. Males in the work force rose from 63.9 per cent in 1985 to 66.7 per cent last year.

'Interest rates won't be cut'

By AVI TEMKIN
Post Economic Reporter

The Bank of Israel will not cut interest rates for the foreseeable future, Mordechai Fraenkel, director of the central bank's research department, said yesterday.

The most recent figures showed that for the last few weeks there had been a slowdown in borrowing, he said. However, it was still too early to determine whether this signalled a long-term trend or not, he added.

The bank reiterated its position that an interest rate cut could only come when the surge in borrowing came to an end.

Fraenkel said the Bank of Israel would also be watching the budget deliberations in the Knesset Finance Committee. Without sufficient proof that the budget would not exceed the ceiling placed on it, the bank would not consider lower interest rates, he said.

On the positive side, Fraenkel noted that the lower-than-expected February inflation figures had moderated inflationary expectations. In particular, he welcomed the fact that the low inflation would keep down the cost-of-living allowances due workers in April, easing pressure on the economy's cost side.

Fraenkel defended the current high rates of interest, saying he was convinced there was a relation between borrowing and the inflation rate. Since interest rates were boosted in February one percentage point to 2.5 per cent a month, the rapid rise in borrowing had come to a halt, he noted.

British interest rate slashed; pound soars

LONDON (Reuters). — British banks cut interest rates by 0.5 per cent yesterday in response to a new government budget that sharply cut estimates of state borrowing and portrayed a leaner, stronger economy.

But while industrialists favoured a further cut in the relatively high cost of borrowing in Britain, Chancellor of the Exchequer Nigel Lawson said at a news conference: "I don't think we should rush anything."

The state of the economy, particularly the budget and yesterday's cut

in bank base lending rates from 10.5 to 10 per cent, are of interest because Conservative Prime Minister Margaret Thatcher must hold an election in the next year. Many political commentators believe she will bid for a third five-year term as early as June.

The pound sterling remained strong on foreign exchanges following the interest rate reduction. It was worth more than \$1.6076 and this led analysts to predict a further 0.5 per cent interest cut soon. If the pound rises too far it would pinch British exports.

FINANCIAL DATA: ISRAEL, EUROPE, U.S.

ISRAEL MONEY MARKETS

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 2.5% per month
Unlinked Deposit (Annual Rates)

	Last Updated	Tapas	Pakam 7-Day	Pakam 30-Day
LEUMI	16.3	10-25.5%	11-23%	15-25.5%
HAPOLIM	12.3	10-25.5%	11-25.5%	15-25.5%
DISCOUNT	12.3	10-25.5%	11-25.5%	17-25.5%
MIZRAHI	1.12	8-17%	8-17.5%	6-19.5%
FIRST INT'L	24.2	17-25.5%	18.25-26.5%	22-26.5%

Rates vary according to size of deposit.
(Tapas: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES (March 18)

MINIMUM DEP	3-MONTHS	6-MONTHS	12-MONTHS
USD (\$100,000)	5.75	5.75	5.75
STG (£100,000)	8.00	8.00	8.125
DMK (100,000 marks)	3.25	3.125	3.00
SFR (50,000 francs)	3.00	3.125	3.125
YEN (3,000,000 yen)	2.625	2.625	2.625

Rates vary according to size of deposit and are subject to change.

SHEKEL FOREIGN EXCHANGE RATES (March 18)

Currency basket	Buy	Sell	Rep. Rates
U.S. Dollar	1.6750	1.6850	1.6833
Deutsche Mark	1.8085	1.8285	1.8183
Pound Sterling	2.5815	2.6137	2.5939
French Franc	0.2383	0.2398	0.2390
Japanese Yen	1.0575	1.0707	1.0641
Dutch Florin	0.7754	0.7850	0.7807
Swiss Franc	1.0479	1.0609	1.0550
Swedish Krona	0.2512	0.2543	0.2528
Norwegian Krone	0.2319	0.2348	0.2323
Danish Krone	0.2330	0.2358	0.2343
Finnish Mark	0.3578	0.3622	0.3597
Canadian Dollar	1.2260	1.2412	1.2331
Australian Dollar	1.1050	1.1188	1.1118
S. African Rand	0.1737	0.1783	0.1760
Belgian Franc	0.4203	0.4255	0.4229
Austrian Shilling	1.2482	1.2637	1.2559
Italian Lira	1.2335	1.2488	1.2412
Jordanian Dinar	—	—	4.7254
Egyptian Pound	—	—	0.8213
ECU	1.8208	1.8435	1.8324

SUPPLIED BY BANK LEUMI

EUROPEAN FINANCIAL MARKETS

PRECIOUS METALS

GOLD: LONDON A.M. FIX 408.40 P.M. FIX 404.35
PARIS NOON FIX 407.06 ZURICH P.M. 405.85
SILVER: LONDON P.M. 557.80
PLATINUM: LONDON P.M. 523.80
PALLADIUM: LONDON P.M. 124.70

FOREIGN CURRENCY CROSS RATES (London 15.30GMT)

Forward Rates (March 18)	SPOT	2 MTHS	3 MTHS	6 MTHS
DEUTSCHMARK	1.8380/80	78/72	115/112	215/210
POUND STERLING	1.6080/80	82/80	122/120	224/219
SWISS FRANC	1.5380/80	59/55	59/54	152/152
JAPANESE YEN	151.95/95	52/50	72/70	137/132
FRENCH FRANC	6.1095/15	150/170	240/280	485/505
ITALIAN LIRA	1305.50/00	600/650	935/985	1900/1975
DUTCH GULDEN	2.0750/50	32/28	51/47	202/98
BELGIAN FRANC	36.050/105	4/5	7/9	14/18
DANISH KRONE	6.8005/05	440/490	675/725	1350/1450
S.AFRICAN RAND	0.4810/17	1/16	19/17	80/70
EUROPEAN CURRENCY UNIT	1.1308/12	1/28	17/13	31/28
FINNISH MARK	4.8950/00	625/565	775/825	1600/1700
AUSTRIAN DOLLAR	13.76/77	80/63	123/118	213/207
NORWEGIAN KRONE	6.8410/40	900/930	1415/1445	2800/2850

Formula for determining forward rates:
high/low (eg. 220/210) — deduct from spot price.
low/high (eg. 120/220) — add to spot price.

NEW YORK FINANCIAL MARKETS

U.S. MONEY RATES

Prime Rate 7.50%; Broker 7.50%-7.25%; NY Euros 3 months 6 1/4%-7 1/4%; Fed Funds late 5 1/4%.

NEW YORK FOREIGN EXCHANGE

PREVIOUS CLOSE	DMK	SFR	STG	YEN	CAN
OPENING	1.8355/45	1.5330/40	1.6035/45	151.75/85	1.3113/18
LATEST	1.8365/75	1.5370/60	1.6050/60	152.00/10	1.3130/35

Comment: The dollar held steady yesterday around the middle of the day's tight range in late-afternoon trading. With no clear picture emerging of the U.S. economy's current strength, the dollar remains confined to the five-percentage band, which has prevailed since the Paris currency accord. Sterling took water after its recent sharp run-up.

ISRAELI STOCKS

TRADED IN NEW YORK:

NYSE and ASE

	Last	Prev. Close	High	Low	Vol ('00s)
Alliance	2 1/4	2 1/4	2 1/4	2 1/4	149
Amir Pap	2 1/4	2 1/4	2 1/4	2 1/4	352
Amptel	9 1/4	9 1/4	9 1/4	9 1/4	24
Amrnt Cnrs	2	2	2	2	30
Elscint	—	10 1/4	—	—	—
Elz Levud	—	14 1/4	—	—	—
Laser Inds	14 1/4	14 1/4	14 1/4	14 1/4	105

Over the counter

Over the counter							
	last	bid	ask		last	bid	ask
Airt	—	22	24	Interpharm	—	4 1/4	5 1/4
Bank Leumi	11 1/4	11 1/4	11 1/4	Opotech	7 1/4	8 1/4	7 1/4
Elbit	4 1/4	4 1/4	4 1/4	Rada	—	2 1/4	2 1/4
ECI Tel.	4 1/4	4 1/4	4 1/4	Sotex	4 1/4	4 1/4	4 1/4
Elron	7 1/4	7 1/4	7 1/4	Taro-Vit	—	2 1/4	2 1/4
Fibronics	—	51	55	Tevapharm	—	8 1/4	9 1/4
IDB Bank	3 1/4	3	3 1/4	SPI	2 1/4	2 1/4	2 1/4
IIS	—	—	—				

WALL STREET Closing Prices

Dow Jones Indices	NYSE Highest Volume
IND 2,278.99 - 7.81	PHILIPS PE 15 1/4 + 1/4
TRANS 934.84 - 3.51	USX CORP 27 1/4 + 1
UTILS 215.91 - 1.21	OKY PETE 33 1/4 + 1
STOCKS 869.10 - 3.28	AM EXPRESS 78 + 3/4
NYSE COMP 186.04 - 0.37	SCHLUMBER 39 1/4 + 1/4
NYSE IND 188.79 - 0.28	BRISTOL MY 105 1/4 + 3/4
NASD COMP 434.74 - 0.06	SALOMON IN 23 1/4 - 1/4
S-P 100 INDEX 281.52 - 1.14	ATT 14 1/4 - 1/4
AMEX INDEX 336.07 +0.83	IBM 145 1/4 - 1/4
	MOBIL 48 1/4 + 1/4

Statistics: NYSE VOL 199,384,400 STOCKS UP 800 DOWN 845
NASDAQ VOL 153,320,100 (Mar. 12) STOCKS UP 1366 DOWN 956

Comment: Wall Street's midday surge above the Dow Industrial 2300-level gave way to a flood of profit-taking yesterday afternoon as the market moved lower. Traders snubbed the selling to investor jitter about Friday's triple expiration and uneasiness with a market led by oil stocks. "A bull market for oil is usually bearish for the rest of the market because it means higher fuel costs for industry," one trader said, explaining some of the market's uneasiness.

OVERSEAS FINANCIAL DATA
PROVIDED BY REUTERS MONITOR

Soltam axing 250 after failing to win big order

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. — Soltam, Ltd., the armaments manufacturer has begun laying off 250 workers, after learning it would not be getting a huge mortar and shell order from the Pentagon.

The contract, which Soltam had been relying on to keep production at current levels, was lost because of intensive lobbying by U.S. arms makers, who wanted it for themselves, sources here told *The Jerusalem Post*.

The management of the Yotvata-based factory reached agreement with the workers' committee and the Haifa Labour Council on the dismissal of 200 temporary and

50 tenured workers at the end of this month.

Labour Council spokesman, Moshe Gutter, told *The Post* that the tenured workers, who have up to 12 years' seniority, will receive severance pay at 300 per cent the normal rate, which is equal to a month's wages for each year of work. The temporary workers will be compensated at lower rates.

The management wanted to lay off another 300 workers by the end of the month, to cut its staff back to 1,000 but the council refused. "We are demanding a smaller cutback and will continue negotiations to reduce the number of dismissals to a minimum," Gutter said.

Most of Soltam's production has

been put in inventory rather than sold, because of a downturn in orders from the IDF and foreign customers. Its warehouses are bursting at the seams, making it impossible to continue laying in more stocks.

About one-third of the workers live in Yotvata, the development township, which is almost exclusively dependent on Soltam for jobs.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:		Turnovers:		4.25% fully linked	Mixed to 1%
General Share Index	124.69+0.43%	Shares-total	NIS 17,331,900	80% linked	Stable
Non-Bank Index	148.94+1.10%	Arrangement	NIS 1,175,200	Double linked:	Stables/rises 3%
Arrangement	108.99 -0.14%	Non-Bank	NIS 16,156,700	Dollar linked:	
Insurance	125.62+0.18%	Bonds-total	NIS 6,836,500	Admiral	Rises to 1%
Commerce & Services	148.59+0.98%	Index-linked	NIS 5,681,800	Rimon	Rises to 2%
Real Estate & Agric.	141.16+1.56%	Dollar-linked	NIS 1,154,200	Gilboa	Generally rises to 1%
Industrial	150.58+1.02%	Treasury Bills	NIS 12,699,600	PC denominated	Stable
Textiles	145.22+1.26%			T-bills	26.75-30%
Metals	147.06+2.43%	Share Movements:		(annual yield)	
Electronics	169.75+0.61%	Advances	206 (57)		
Chemicals	147.79+0.51%	of which 5%+	33 (11)	Arrangement yields:	
Industrial Invest.	163.37+0.70%	buyers only	3	IDB ord.	16.31%
Investment Cos.	167.84+1.43%	Declines	73 (227)	Union 0.1	16.32%
General Bond Index	105.24+0.13%	of which 5%+	12 (83)	Discount A	16.88%
Index-linked Bonds	105.18+0.11%	sellers only	0 (8)	Mizrahi R.	16.33%
Fully linked	110.36+0.14%	Unchanged	113 (110)	Hapoel R.	16.31%
Partially linked	107.38+0.07%	Trading Halt	25 (17)	General A	16.6%
Dollar-linked Bonds	108.78+0.28%	Bond Market Trends:		Leumi Stock	16.03%
Short-term 0-2 yrs	107.04+0.05%	Index-linked:		Rn. Trade I	16.00
Medium-term 2-5 yrs	108.53+0.08%	5% fully linked	Rises to 1% Falls to 3%		
Long-term 5-10 yrs	110.88+0.25%				

Turnovers:
Share total NIS 17,331,900
Arrangement NIS 1,175,200
Non-Bank NIS 16,156,700
Bonds-total NIS 6,836,500
Index-linked NIS 5,881,900
Dollar-linked NIS 1,194,200
Treasury Bills NIS 12,889,600

Share Movements:
Advances of which 5%+ buyers only 208 (67)
Declines of which 5%+ sellers only 12 (63)
Unchanged 113 (110)
Trading Halt 29 (17)

Bond Market Trends:
Index-linked: 3% fully linked Rises to 1% Falls to 3%

4.25% fully linked 80% linked Stable
Double linked: Stable/rises 3%
Dollar linked: Rises to 1%
Admon Rimon Generally rises to 1%
Gibson Stable
FC denominated Stable
T-bills 26.75-30% (annual yield)

Arrangement yields:
IDB ord. 16.31%
Union 0.1 16.32%
Discount A 16.33%
Mizrahi R. 16.33%
Hapoolim R. 16.33%
General A 16.33%
Leumi Stock 16.03%
Fin. Trade 1 16.00%

SELECTED PRICE QUOTATIONS

Name	Price	Volume 1000NIS	% change
Commercial Banks			
(not part of "arrangement")			
Maritime	2130	4013	+0.7
General non-arr.	2277	214	-0.4
First Int'l	5080	2852	+0.2
FIBI	6290	2772	—
Commercial Banks			
(part of "arrangement")			
IDB	91840	130	-0.3
Union 0.1	68180	33	-0.4
Discount	117680	8	—
Mizrahi	37710	166	-0.2
Hapoolim R	62250	339	-0.4
General A	188010	8	+0.1
Leumi 0.1	39720	1501	+0.2
Fin. Trade	62700	7	+0.7
Mortgage Banks			
Leumi Mort. R	5720	96	—
Dev. Mort.	3710	180	+1.0
Mizrahi R	3710	832	+3.10
Tafahot R	24950	191	-0.2
Merav R	8510	411	+1.3
Financial Institutions			
Agrie C	no trading		
Ind. Dev. DD	no trading		
Ciel Leasing 0.1	28200	83	—
Insurance			
Ararat 0.1 R	1725	750	+5.0
Heameh R	440	44553	+2.3
Phoenix 0.1	830	8200	+2.0
Hamishmar	7000	118	—
Menorah 1	2650	208	-7.2
Sahar R	8100	1955	-4.1
Zion Hold. 1	13000	128	—
Trade & Services			
Mair Ezra	1370	2477	+0.7
Supersol 2	12100	679	+1.7
Delek R	8000	2207	+0.9
Lighterage	27850	118	+4.5
Cold Storage	1318	1899	+4.5
Dan Hotels	1848	403	-0.1
Yarden Hotel	2750	83	—
Hilton 1	no trading		
Team 1	1200	5144	—
Real Estate, Building and Agriculture			
Azorim	1226	12189	+1.3
Elion	481	10589	+1.4
Africa Lev. 0.1	52900	272	+1.0
Dankiner	7700	180	—
Prop. & Bldg.	3689	272	+4.3
Sharon 0.1	4640	509	—
ILDC R	87550	48	+0.2
Rasoco R	5040	403	-10.0
Mehadrin	7690	132	+1.1
Haderim	1910	396	—
Industrials			
Dubek B	6710	1102	+1.5
Pr-Zee 1	no trading		
Sunfrost	15720	142	—
26200	1036	—	+2.7
Acgar	880	5318	+2.4
Argaman R	17900	285	+4.1
Maqta G 1	5250	334	+3.1
Delte 1	4900	225	-2.0
Explo 1	no trading		
Polgat	4651	254	—
Schoellerria	20310	519	+7.4
Rogovin	3000	265	—
Urdon 0.1 R	9450	405	+2.5
Is. Can Co. 1	4800	3240	+0.8
Zion Cablisa	2780	418	+3.4
Pecker Steel	23000	51	—
Elbit			
Elion	337000	23	—
Ar't	31800	125	—
Ciel Electronics	no trading		
Spectronix 1	3250	4668	+3.8
T.A.T. 1	2089	3740	+10.0
Akerstein 1	1140	2520	—
Agan 5	23200	813	—
Alliance	2781	145	+0.4
Dexter	3294	48	-1.7
Fertilisers	5150	231	+4.0
Haifa Chem.	959	8575	+0.4
Teva R	12500	545	+1.9
Dead Sea R	4080	1166	+2.0
Petrochem	640	24349	+0.8
Noca Chem.	8479	277	—
Frutaron	20220	140	+0.7
Hadera Paper	851500	24	+1.5
Central Trade	12820	368	+1.1
Koor p	1375000	—	—
Ciel Inds.	2745	32151	+0.5
Investment Companies			
IDB Dev. R	9345	1200	—
Elern	5940	3249	—
ARSI 1	359	3958	+10.0
Gabshat	1581	783	—
Asial Corp. 1	21500	1074	+2.9
Wolfson 1 R	139000	1	-0.7
Hapoolim Inv.	11750	860	+0.3
Discount Invest.	9100	3614	+1.3
Mizrah Invest.	31600	100	+2.0
Ciel 10	1574	31556	+2.7
Landeco 0.1	3129	788	+1.2
Parme 0.1	12600	98	—
Oil Exploration			
Pac Oil Expl.	31600	59	—
J.O.E.L.	8000	2297	+0.3
Abbreviations:			
b.o. buyers only	b bearer		
s.o. sellers only	r registered		

THE JERUSALEM POST

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Founded in 1932 by GERSON AGRON, who was Editor until 1955; Editor 1955-1974
TED LURIE, Editor 1974-1975; LEA BEN DOR, EDITORIAL OFFICES AND
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Nordau, Hader Hacarmel, POB 4810 (31047) Telephone 645444 Fax 645446. Published
daily, except Saturday, in Jerusalem, Israel by The Palestine Post Ltd. Printed by The
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Equality for women

INTERNATIONAL Women's Day was celebrated most fittingly by the Knesset this week with the passage of a bill that allows women to retire at 65, the same age as men. Until now women had no choice but to quit work at 60.

Early retirement for women had been instituted years ago as supposed protection for the "weaker sex." Such protection may still be necessary in some instances, and the option of retirement at 60 had to be, and in fact is, retained in the new legislation. But the mandatory early age has over the years been found by a growing number of women not so much protective of their interests as discriminatory, and injurious.

For one thing it took no account of the years lost, as it were, for work through child-rearing. For another, it deprived women of any chance to make up for the loss, even in part by continuing to work until 65.

In industrialized countries abroad the unfairness of forcing women to retire at a different age than men has long been recognized. The EEC states, as well as the U.S. and Japan, have amended their labour laws accordingly. But in this land, once reputed to be a model of sex equality, conservative attitudes have barred corrective action.

Last year the National Labour Court was offered an historic opportunity to strike a blow for sex equality by equalizing the retirement age. Dr. Nevo, a sociologist with the Jewish Agency, asked the court that it at least grant her, and women in general, the option of quitting work at 65. The court passed the opportunity up.

The majority of the court decided that, since the same retirement age for women and men had not been provided for in Knesset legislation, nor in Israeli case law, nor in standard collective agreements, nor for that matter in international labour conventions, the court was powerless to help Dr. Nevo or any member of what is now known in some quarters as the sisterhood.

In short order, however, the Knesset rushed to the rescue. This week it has approved new legislation providing that women and men should similarly retire at 65, regardless of what a labour agreement specifies; except that the option of early retirement for women may be granted by a labour agreement.

It might arguably have been better to make the option part of the law itself. But the new measure is surely a milestone in Israeli women's fight for equality — a fight that cannot be declared ended except with the triumph of sex equality in all areas of life.

The president's prerogative

A LIFE sentence is rarely a life sentence, in most countries that pride themselves on their humanity. In Israel it is standard practice for the state president to set maximum terms for "lifers" after they have served an average of five years. The maximum term itself is usually 24 years, and the procedure is known as "rationing." It is not to be confused with presidential pardon.

Once such a prisoner has been the beneficiary of "rationing," the "lifer" is, however, also eligible for a reduction of sentence by one third, as well as for leave from prison.

The three members of the Jewish anti-Arab terrorist organization sentenced nearly three years ago to life in jail for committing murder at the Hebron Islamic College are now reported to be in line for "rationing" by President Chaim Herzog. If the announcement is made before Passah, as will probably be the case, they could ask, and doubtless would be allowed, to join their families for the Seder next month.

This much about the president's anticipated action is clear, routine, and unexceptional. The one aspect of it that has not so far been explained is the resort to the "rationing" procedure less than three years after sentencing in the case of the terrorist underground members.

Some six months ago a well-orchestrated public campaign was launched to pressure the president into pardoning all the "fine boys" who had killed and maimed and conspired to kill and maim Arabs and plotted to blow up the Dome of the Rock, thus triggering a supposedly redemptory Armageddon. The campaign consisted of rallies and demonstrations and round-the-clock vigils, as well as letters to the president.

There were reports at the time that the president's response to the campaign was to cease consideration of the underground file. The reports have now been officially confirmed. The president reopened the file only when the campaign was discontinued, more or less.

Now it is only to be hoped that the "rationing" already decided upon by President Herzog will not be followed by measures to further reduce the sentences of underground members who are not "lifers," and who have not yet been freed. The jail terms given them were — having regard to the gravity of their crimes — so ludicrously short that the least that could be done now without making a travesty of the concept of equal justice would be to let the sentences stand.

SANCTIONS

(Continued from Page One)

ern world but we also have to consider the Jews in South Africa."

Earlier, Histadrut Secretary-General Yisrael Kessar told the American Jewish leaders that the labour federation had decided not to have any relations with the apartheid regime in Pretoria. He said: "As Jews, we won't tolerate any racial discrimination."

Kessar added that the Histadrut maintains strong ties with black organizations in South Africa.

At yesterday's inner cabinet meeting, only Trade and Industry Minister Ariel Sharon opposed the sanctions decision, arguing that Israel could weather the storm of American displeasure.

On April 1, a presidential report on defence ties between South Africa and other countries is to be presented to the U.S. Congress. Congress is expected to condemn the countries maintaining such ties. It is possible that Congress will move towards imposing sanctions against such countries.

Sources in Jerusalem yesterday said that had there not been the "threat of the presidential report, the Israeli government would have done nothing."

Defence Minister Yitzhak Rabin, who in the past has strongly opposed sanctions against South Africa on the grounds that they would severely harm Israel's defence industries, yesterday supported the sanctions

ISRAEL'S ELECTORAL system has resulted in weak governments coming to power. These coalition governments have been made up of parties with conflicting interests. Conflict exists not only between parties but within them. Ministers cannot agree on overall priorities and each one has an incentive to spend more, with the minister of finance or the government as a whole paying the price in terms of budget deficits and inflation.

This amounts to an institutional block to economic efficiency. The budget deficit which has contributed so much to inflation, balance of payments problems and crowding out the private sector from the capital market, is the result of political pressures.

In looking for ways out of these problems there are two main examples — the American and the European, or especially that of a number of West European countries.

Israelis follow American trends. They aspire to American living standards, watch their TV programmes and are influenced by the U.S. media. Some act, or would like to act, as if they were at the American frontier — where in some mythical sense law and order, interventionist government, provisions for social welfare do not exist.

In many ways the U.S. is not an appropriate model for us. The world's richest superpower, it is one of the world's largest countries in terms of national income, population, geographical area and natural resources. Israel is small geographically, demographically, economically and has few natural resources. Some of the smaller European countries — Austria, Scandinavia, the Netherlands, Switzerland, as well as West Germany — provide a much more appropriate model.

These countries, which are all democracies, have, with the exception of Switzerland, strong central

Follow Europe's lead

Paul Rivlin

governments. They accept the inevitability of economic change and seem to adjust to it through active industrial policies. They have also integrated business and trade unions into their government decision-making process. This has not depended on who is in power, like Britain where Labour governments consult the trade unions and the Conservatives do not. The democratic corporation of these countries is the ideology of all the main political parties, and its most important manifestation is that the winner does not take all. In the modern jargon of game theory it is not a zero-sum game. Maintaining consensus is the main way in which political, industrial and union leaders increase their popularity. No one gains from rocking the boat in a small open economy subject to external influences.

How did this apparently idyllic situation arise? Many have cited the social conflict in Europe during the 1930s as its origin. Thus in Sweden and Switzerland political compromise was encouraged by the rise of Nazism, which threatened all non-fascist states. This was the beginning of a 40-year period of social-democratic party rule in Sweden; and in Switzerland there has been little conflict manifest in the streets ever since.

In fact the origins of corporatism go back much further. In the late 18th century Switzerland adopted a free trade policy. By 1913, its exports accounted for 40 per cent of its GNP. Much earlier, in Sweden, the relative weakness of the nobles resulted in social compromise with the peasantry that meant that it overcame feudalism in a much less painful way than Russia or France did. The length of time which it took for

this political-economic development to evolve is one reason why it would not be easy for Israel to copy this pattern.

Israel's own history provides the basis for greater consensus about economic issues. It has a strong central government. It may not be united politically at present but it exists as a central institution in our society. We have strong trade unions — at least compared to the U.S. — with a politically powerful leadership. Their position is, in some respects, even stronger than their equivalents in Europe because they control up to 25 per cent of industry. They are employers and have interests as such, as well as those of trade union leaders. Business also has its representatives who meet with government and Histadrut representatives regularly.

Despite this, the nature of discussions between these three groups is highly confrontational. The attitude is whatever one side gains, another loses. This is confrontational politics in a centralized context, perhaps the worst of both worlds.

ANY FIRST-TIME visitor to Israel tends to be surprised by the amount of dispute, controversy and conflict in our society. The strength of our democracy is admired. We are not afraid to speak out against the government or any other institution. Yet the ability to cooperate is a major problem in Israeli industry and society. We behave as if we had the scale and geography of the U.S. — where the individual has literally the space to go it alone — whereas in fact we lack it. Our scale and dependence

on international forces makes cooperation the only way to succeed economically.

This lack of cooperation is partly a function of distrust. The Ministry of Defence does not trust the Treasury. The Treasury does not trust the taxpayer. The taxpayer does not trust the government. Our small elite which consists of people who know each other well, all feel themselves to be in conflict. To say that this is because of the Jewish or Israeli personality is to adopt a fatalistic approach. To talk about reform and change means finding the way to put common interests first.

We used to do this: the land was reclaimed, wars won, agriculture and industry developed. Our educational and health services have, despite all their problems, come a long way but we have lost our sense of national purpose.

How can this be restored? Much depends on the politicians and insofar as they perceive their vested interest as lying in the status quo, nothing will change. Others can act without waiting for a lead from the politicians. Ways need to be found to bring business people, union leaders, civil servants, academics and politicians together so that they can learn about each other's problems and how these issues are tackled abroad. The potential gains from cooperation need to be stressed. This could be done through such organizations as the universities, the civil service college or the Productivity Institute or by a new National Economic Development Council.

We need to increase and improve the flow of information. It is inevitable that matters relating to security are not openly discussed but we need to understand the implications of

this. A large part of our industry is affected by decisions taken in secret on non-economic grounds. The costs of this are formidable. The size of the defence budget used to be secret. Then it was felt that the public was adult enough to know how much it cost. Perhaps we can or need to go further.

Industrial growth occurred as a result of a small number of government decisions which were not all concerned with economics. The development of the Negev through the exploitation of its minerals was the basis of our chemical, fertilizer and pharmaceutical industries. Military industries resulted from the government's reaction to the French arms embargo of 1967. Research and development subsidies, mainly from the chief scientist at the Ministry of Industry and Trade resulted from the Katzir committee's recommendations and have resulted in major industrial development. It may not need a revolution in our political system to solve our economic problems but it will require paying more attention to the economic consequences of what we do.

Most Israelis vote for political parties favouring collectivist policies. Both the Likud and the Labour Party back the welfare state and contain many who are opposed to large income tax cuts. Liberal parties representing private business interests have never done well in elections. From this collective bias (which transcends deep political differences on other issues) and the need for high defence expenditures, it seems that the European model is the most appropriate one. We need to find out more about how the Europeans do things if we are to gain the advantages of democratic corporatism rather than just suffer its disadvantages.

The writer is associated with the recently issued report of the Jerusalem Institute of Management.

U.S. Jews' spilt milk

Eliezer Whartman

versions performed abroad by Jewish clerics. Children have been declared bastards; the testimony of non-Orthodox rabbis abroad is not accepted here to authenticate the Jewishness of immigrants. Yet there is barely a murmur of protest not only from the Israelis, but from American Jewry.

IT IS not only the violation of the elementary rights of their co-religionists that has failed to elicit any outcry — let alone action — by American Jews. Their silence for almost 40 years about the manner in which charitable funds raised in the U.S. are diverted to and squandered by a purely political body — the Jewish Agency — can only arouse the consternation and repugnance of any sensitive Jew.

It took the Japhet scandal, and the even more scandalous denial of responsibility by the Agency, to move them to register a modest reaction: to deny Arye Dulin a third term. Where have they been for the last 40 years while funds funnelled to a political body dominated by Israeli politicians were utilized for political purposes? Have American Jewish leaders, for example, cared until now that millions of dollars are flowing to yeshivot whose heads and student bodies regard the funds as kosher while proclaiming that the donors are treif?

We have had one scandal after another involving moral issues, but

American Jews have remained silent. And although non-Jews judge American Jewry by what is done in Israel and the actions of Israeli governments, American Jews have had nothing to say about the undemocratic form of government in which the governors are not accountable to the governed; about Israel's many dubious arms deals; about its support of dictators around the world; about its yielding to extremist nationalist and religious pressure groups; about the government's cover-ups over the Shin Bet debacle; and about its cynical treatment of the sick, the aged, the handicapped and the poor.

All this has drawn no response from the leaders of American Jewry who, through their control of the Jewish federations in their cities, muzzle all criticism of the Jewish state, closing ranks to prevent any public dissent which might, in their opinion, adversely affect fundraising.

This, of course, is precisely what the government of Israel wants: American Jewry is expected to defend Israel, right or wrong — and they have done their job well.

THE QUESTION arises: How do the U.S. leaders now have the nerve to complain that the Israelis are

damaging their position in the U.S.? They have never complained before. They voluntarily gave up that right long ago.

If the leaders of U.S. Jewry are seeking an outlet for their anger, let them look closely at themselves. They will not deflect the wrath of the U.S. government by using Pollard as a lightning-rod. Heaven knows, he was wrong in what he did, but his intentions were good. I do not believe that he intended to harm the U.S. but to help Israel.

If the truth be told, we never enjoyed an equal partnership with the U.S. Israel simply had an army for rent, and it was far cheaper than the cost the U.S. has assumed for underwriting Nato, a highly expensive commodity of dubious value which cannot be counted upon in an emergency. We were properly bought and paid for.

Given such a relationship, it is little wonder that the U.S. decides on what military information we should have, and what we are not entitled to. And so vital information is kept from us. We in return are expected to relay everything we know to Washington.

Along comes a Pollard who decides, in collaboration with two Israeli "rogues" (nobody else, of course, is in on the secret) to set things straight. So he ferrets out and transfers to Israel information about

the strength and disposition of Arab forces.

ENOUGH has been written about the hypocrisy of Israeli leaders in disowning Pollard. If they knew of the operation — and it is inconceivable that they did not know, in view of the magnitude and importance of the information supplied and the manner in which it was utilized — they should resign. If they did not know — and this has become almost a mantra with Israeli leaders about any exposed scandal — they should be thrown out for not knowing what was going on under their noses.

They will not go, of course. No Israeli politician ever retires voluntarily except perhaps the hapless Begin. The leaders feel that they can ride out this storm as they have ridden out others. Perhaps they can.

But Israel's government must accept full responsibility for the actions of its appointed representatives, no matter how distasteful that may be. Israel must do something for the Pollards who are languishing in prison after being cynically abandoned.

If nothing else, this miserable affair should drive home the lesson to world Jewry that they are very much affected by what this country does, and they must speak out whenever immoral acts are performed.

There is something higher than Americanism or Israelism at stake. If the moral values of Judaism go by the board, all is lost.

The writer is editor of the Israel Press Service.

READERS' LETTERS

To the Editor of The Jerusalem Post

Sir, — While we were gratified by the commonsense tone and substance of Edith Frankel's article ("Don't squabble over refusenik drop-outs"), we were greatly concerned by your reports of Prime Minister Shamir's request to the U.S. to withdraw political refugee status for Soviet Jews. We were also dismayed by a reported statement by Arye Dulin misconstruing procedures followed by Hias in Vienna.

Today, the Jewish Agency continues, as it always has, to greet the emigrating Soviet Jews in Vienna. It is the only body to interact with the refugees during their first few hours and days in the free world. Hias has no contact with the Soviet refugees until the Jewish Agency has completed its interviews with the emigres, a fact Mr. Dulin is well aware of.

On the matter of Prime Minister Shamir's stance on the refugee status issue, we wish to clarify several points: It is understandable that Israeli leadership is unhappy about the United States considering a Jew a refugee when he or she has the opportunity for resettling in Israel. However, the definition that the U.S. government applies in determining refugee status is based on the Refugee Act of 1980 which conforms with the international legal definition of refugee.

Based upon the bitter experience of 50 years ago, the Jewish community here has laboured long and hard to make sure that the United States remains a welcoming haven to Jews

HIAS AND SOVIET JEWS

of any nationality faced with danger and persecution in their homelands. We remain confident that the Israel government will in no way wish to jeopardize these hard-won gains.

Further, if the United States changes its policy and no longer designates Soviet Jews as refugees, it will be giving the Soviet administration an erroneous message, namely that this country no longer considers that Soviet Jews are persecuted, or have a well-founded fear of persecution in the USSR.

Our objective has been to assist Jewish refugees, where necessary, to attain economic and social self-sufficiency as quickly as possible and to encourage their integration into the Jewish communities in which they resettle.

The Jewish community pays for more than half the costs of its programmes to this end. By virtue of the refugee status given to Soviet migrants, the United States government covers the balance.

It should be noted that if Hias did not help Soviet Jews in their migra-

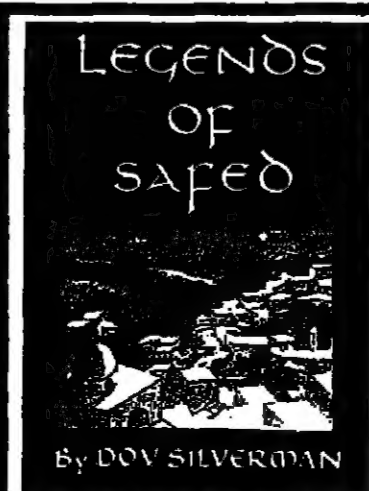
tion to this country, many other American voluntary agencies — none of them Jewish — would fill the void, and indeed did so during a trial period in 1981 when Hias withdrew its assistance at the Vienna stopover.

Hias will continue to work closely with other organizations towards an objective of having as many Soviet Jews as possible make aliyah.

We also stand by the free world's commitment to and support of the concept of family reunion and freedom of movement as laid down in the Helsinki Accords.

Divisiveness on the issue of *nashrim* (drop-outs) is becoming increasingly counterproductive to our mutual objectives. The collective energies of world Jewry should be directed toward the broader issue — of getting our Jewish brethren who wish to leave the Soviet Union out from behind the Iron Curtain and into a life of freedom and security.

ROBERT L. ISRAELOFF,
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HOW AVIEM SELLA HELPED THE U.S.

To the Editor of The Jerusalem Post

Sir, — It was ironic to read, in one of the articles on the U.S. boycott of Aluf Mishne Aviem Sella, that it was the self-same Sella who shot down a Soviet-piloted MiG-21 in 1970 and who photographed an SA-6 ground-to-air missile in a reconnaissance mission over Syria — the first missile of this type believed to have been photographed by a Western air force. No doubt the information thus obtained was passed on to the U.S.

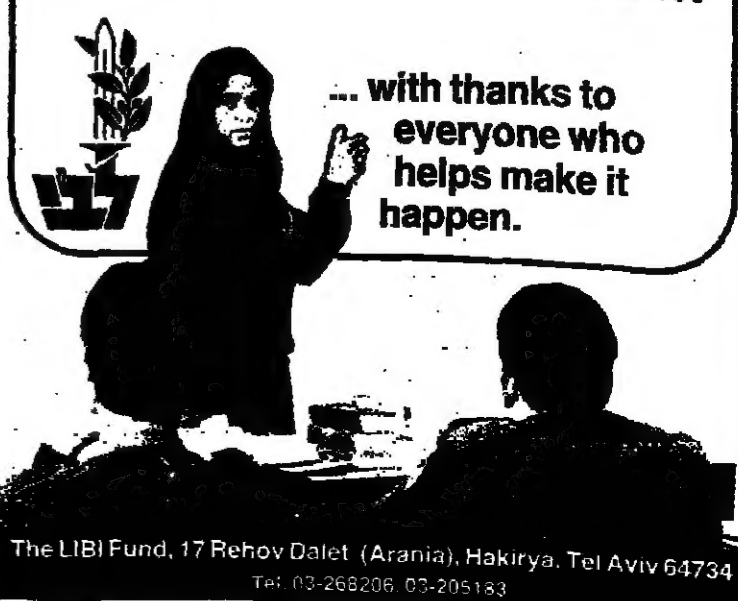
Sella has thereby rendered signal service not only to the IAF but also to the U.S. Air Force. Shouldn't this count for something in the U.S. reckoning of Sella — and of Israel?

One wonders what information Pollard could possibly have given Israel which was as vital to U.S. security as the knowledge of Soviet weapons acquired by Sella's exploits.

MARJORIE COOPER
Haifa.

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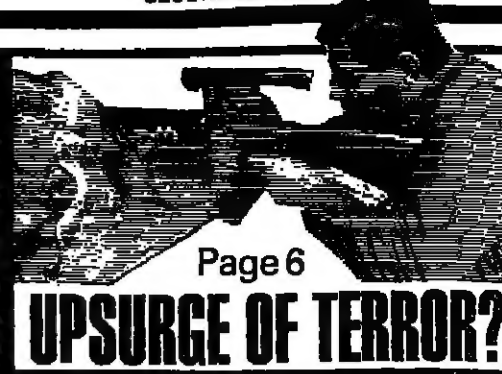
BODY POLITIC
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Spring babies
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TRAVESTY IN JUSTICE
Page 7



UPSURGE OF TERROR?
Page 6



If Purim was here, can Pesach be far behind? Not for this small girl, sampling the ware at Kfar Habad's annual matza baking which got under way this week. Story, page 4. (Andre Brutzmann)

Despite obstacle placed by Liba'i Cabinet wants to press on with Pollard probe

By ASHER WALLFISH and BENNY MORRIS
Jerusalem Post Correspondents

The government still seemed determined last night to leave the probe of the Pollard espionage affair in the hands of the Rotenreich-Tsur inquiry panel. This despite the serious obstacle set by attorney MK David Liba'i in instructing his three Israeli clients not to appear before the panel.

Attorney-General Yosef Harish is trying to find a way to get around the problem raised by Liba'i, namely that the statements made by his clients, (should they appear) might reach the U.S. and incriminate them vis-a-vis the U.S. Justice Department.

Prime Minister Shamir yesterday

Avrohom Mondrowitz talks to Post: Sex suspect threatens suicide if he has Aids

By JOEL REBIBO
Jerusalem Post Reporter

Avrohom Mondrowitz yesterday submitted to a "life and death" test for Aids in a bid to prove that he could not have infected 28 U.S. children with the disease. But Acting Interior Minister Ronnie Milo says he will deport him even if the test is negative.

In an interview with *The Jerusalem Post*, Mondrowitz said yesterday that he did not wish to return to New York to face the allegations against him because he fears for his own life and that of his family. "Before I left America," he said,

1982 operation sparked decision to run Pollard U.S. tried to plant spies in Israel

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — In 1982, the U.S. "changed the rules of the game" and began a covert operation designed to penetrate Israel's intelligence community, according to the immediate past chairman of the Senate Intelligence Committee.

The *Jerusalem Post* has learned that Republican Senator David Durenberger of Minnesota told a group of American Jewish political activists that it was that decision by the Central Intelligence Agency which apparently led to Israel's decision to "run" Jonathan Jay Pollard in Washington.

Durenberger spoke before a group of nearly 100 Jewish activists last Sunday in Palm Beach, Florida. The meeting was sponsored by the American Israel Public Affairs Committee (Aipac), the pro-Israeli lobbying organization on Capitol Hill. It was held at the home of Irwin Levy, a well-known Jewish activist.

According to sources present during the meeting, Durenberger said that during Israel's invasion of Lebanon in 1982, CIA Director William Casey "for the first time" in recent years

changed U.S. policy by authorizing a covert operation against Israel.

After discovering that the U.S. was aware of certain Israeli secrets that could only have come from an inside agent, Israel became suspicious that the U.S. had directly penetrated the Israeli defence establishment, Durenberger reportedly said.

Israel, according to Durenberger's account, feared that Casey had recruited a "high-level" Israeli officer in the IDF

Former chairman of Senate Intelligence Committee reveals bid to penetrate Israel's intelligence community

who had originally made aliya from the U.S. The senator reportedly said that the officer was "bumped" by the IDF, but he did not elaborate.

"This changed the rules of the game," Durenberger said, referring to the CIA's covert operation against Israel. He was quoted as saying that the CIA operation answers "the major question — why Israel spied against the United States."

Several sources at the meeting in Palm Beach said that Durenberger pointed to the fact that the CIA has deliberately "not been involved" in commenting on the Pollard affair, deferring to the FBI. "That's because it was their [the CIA's], breach of the agreement [with Israel]," he is quoted as having said.

The U.S. is known to take satellite reconnaissance photographs of Israeli military installations and to intercept communications. But an agreement between the U.S. and Israel was supposed to prohibit direct covert operations against each other's intelligence services.

Ironically, Casey, who has resigned from the CIA after undergoing a brain tumour operation in January, was seen as the most pro-Israeli CIA director in history. After U.S.-Israeli relations dramatically improved in 1983, Casey authorized the routine transfer to Israel of all sorts of previously-restricted intelligence information.

Durenberger's press secretary said yesterday that she would try to obtain some comment from the senator about his reported remarks. But she suspected that he would have "no comment."

(Continued on Page 2, Col. 3)

Israeli jitters over aid cuts

Israeli officials involved in negotiations with the U.S. on America aid to Israel are looking beyond this coming months with some concern. While they hope that at the end of the summer, Israel's share in the U.S. foreign aid bill — \$5 billion — will remain untouched, they sense that ominous clouds are gathering in the relations between the two countries.

A number of congressmen known to be usually friendly towards Israel are said to be in favour of a demonstrative 2-10 per cent cut

ANALYSIS AVI TEMKIN

in aid to teach Israel a lesson. The first sign of which way the wind is blowing will come in a few weeks, when the House Foreign Operations Subcommittee finishes its deliberations on the foreign aid bill. The deliberations on the subcommittee will be held under the cloud of the Pollard affair, and probably also the impact of the coming presidential report on the links with South Africa of countries receiving American aid in which Israel is expected to play a prominent role.

This is causing Israeli officials concern. "All of a sudden somebody can think that troublemaker Israel is getting too much American money, when other countries are getting zilch," one official said. The officials hope, however, that in its final form the foreign aid bill will leave Israel \$3b.

After the subcommittee finishes its deliberations, the entire Appropriations Committee will be convened to discuss the recommendations. At the same time the Senate will start discussing the bill. The crucial date will fall in the summer, when members of both Congressional panels are to meet jointly to issue a final recommendation.

"We hope that by the summer the Pollard and South African affairs will cool off, and everything will return to normal," one official said.

At the Treasury there is far less concern with the fall-out of the Pollard affair than with the potential results of the congressional decision to trim the U.S. federal budget by \$36b. Though there is a decision that such cuts will not affect Israel or Egypt, the Treasury is worried. "Congress may decide that lacking better ways to cut the

(Continued on Back Page)

Washington welcomes sanctions

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — Reagan administration officials, congressional leaders and American Jewish activists yesterday welcomed Israel's decision to curb its military relationship with South Africa. But they said they would continue to closely monitor Israel's compliance with the decision cut off new arms sales to the apartheid regime.

They agreed that Israel was clearly trying to preempt an administration report to Congress on foreign military sales to South Africa. That report, which is expected to name

(Continued on Back Page)

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LEON	20	29	34	Clear
LONDON	5	11	8	Cloudy
MADRID	3	17	19	Clear
MONTREAL	-1	21	37	Cloudy
NEW YORK	-1	31	8	Cloudy
OSLO	-2	25	28	Sunny
PARIS	4	11	8	Cloudy
SAO PAULO	18	24	27	Cloudy
STOCKHOLM	18	24	27	Cloudy
TOKYO	4	29	39	Clear
TORONTO	-2	21	14	Cloudy
VIENNA	-5	23	14	Cloudy
ZURICH	1	14	4	Cloudy

"For the latest weather conditions contact Swissair."

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THE WEATHER

Forecast: Partly cloudy to clear.
Outlook for Shabbat: Warmer.

	Yesterday's	Humidity	Min-Max	Today's
Jerusalem	64	6-10	12	12
Golan	50	6-12	12	12
Nahariya	71	4-8	12	12
Safed	71	4-8	12	12
Haifa Port	47	10-19	2	2
Tiberias	—	8-14	12	12
Nazareth	—	8-15	12	12
Alula	63	6-13	12	12
Samaria	46	13-18	12	12
Tel Aviv	42	10-16	12	12
B-G Airport	36	14-22	12	12
Jericho	34	12-16	12	12
Gaza	54	9-16	12	12
Beersheva	45	16-24	12	12
Eilat	—	—	12	12

Rainfall in millimetres for 24 hours of yesterday: J'nan 6mm; Golan 1mm; Beersheva 1mm; Eilat 0.4mm; Gaza 5mm.

Ministries clash

By AVI TEMKIN
Post Economic Reporter.
The clash between the Treasury and the Defence Ministry on defence budget and the future of the Lavi escalated yesterday. During meeting between Finance Minister Moshe Nissim and officials from the Budgets Department, it emerged that the gap between the two ministries is not limited to the sums allocated to the Lavi, but extends also to the allocations for Rafael (the Weapons Development Authority), and Taas, Israel's Military Industry. Knesset Finance Committee chairman Abraham Shapira yesterday decided that the committee would today discuss the Lavi and the Defence Ministry's budget for the next fiscal year, even though the Treasury has not yet submitted a detailed defence budget. The Treasury

Compromise offered over church dispute

By BENNY MORRIS
Israel recently proposed to Egypt that the keys to a controversial passageway in the Church of the Holy Sepulchre be placed in the hands of a "neutral" third church.
The decades-old dispute involves the conflicting claims of the Coptic and Ethiopian churches to the passageway, which is called Deir al-Sultan. The Ethiopians now have the keys to the door to the passageway, and the Copts are demanding that they be returned to them. Egypt, in talks with Israel about "normalization" issues, has repeatedly called on Jerusalem to secure the keys and hand them over to the Coptic church. Cairo has promised that such a change of the status quo would engender a major increase in (Coptic) Egyptian tourism to Israel.
In recent contacts with Egypt, Foreign Ministry director-general Avraham Tamir proposed that the two churches agree to the transfer of the keys to a third church, which would open the passageway for the Copts and the Ethiopians when each of them needed the area for religious rituals.
A senior source said that this proposal "is an old one" and was in the past repeatedly turned down by both the Copts and the Ethiopians. But he suggested that, given the improved state of Israeli-Egyptian relations, the Ethiopians might now warm to the proposal.

Rabin: U.S., Israel exercises continue

By JOSHUA BRILLIANT
Post Defence Correspondent
TEL AVIV. — Defence Minister Yitzhak Rabin indicated yesterday that joint U.S.-Israel military exercises

Sign of slight thaw in Peking's attitude to Israel

Chinese Jewish official at Asian-Jewish Colloquium

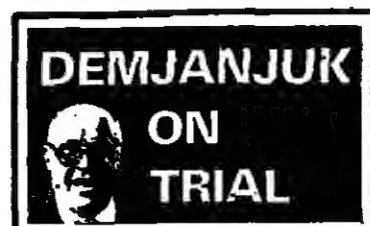
By DAVID LANDAU
Jerusalem Post Correspondent
HONGKONG. — The man who is now perhaps the only Jewish citizen of China — and is certainly Peking's only Jewish official — arrived in Hongkong yesterday to attend the second Asian-Jewish Colloquium.
Prof. Sha Boli, or Sidney Shapiro as he was formerly known, is a New York-born linguist and translator who has lived in China since 1947. He is a member of the Chinese Writers Association and the Chinese People's Political Consultative Council, China's highest national advisory body.
His advent here to attend the colloquium is regarded as a favourable gesture by Peking towards the colloquium which is jointly sponsored by the World Jewish Congress and the Asia Pacific Jewish Association.

There are six delegates from Israel, among them MK Micha Harish. Colloquium organizers Ili Liebler and Sam Lipski of Australia were plainly elated that Sha/Shapiro had come. They said his participation had been arranged by Dr. Li Shenzi, vice-president of the Chinese Academy of Social Sciences in Peking.
Sha/Shapiro, 77, studied Chinese at Cornell, Columbia and Yale universities in the U.S. before deciding to make his life in the fledgling People's Republic. Today, he is a noted translator and writer.
The colloquium brings together scholars and public figures from several Asian countries — including Israel — and from Australia and the U.S. The theme at the Hongkong gathering will be "cultural interaction: old societies, new states."

Well-placed China-watchers, meanwhile, report a slow but discernible and steady diminution in the stridency of China's public hostility towards Israel.
These observers say a careful analysis of China's UN performance over recent months shows "that Peking no longer automatically jumps to the lead in denigrating or condemning Israel." Especially significant in this context was China's decision last autumn not to attach its name to the list of states seeking to challenge Israel's credentials to the General Assembly.
These observers, stationed in Hongkong, feel that diligent efforts by Israel to pinpoint areas of common interest will result, over a period of five to seven years (if present trends in China continue) in significant progress towards real normalization of relations.

A skilful cross-examination

By ERNIE MEYER
Jerusalem Post Reporter.
Yoram Sheftel, the Israeli member of the Demjanjuk defence team, yesterday conducted a spirited and skilful cross-examination of prosecution witness Miriam Radiwker, and at times seemed to have her on the defensive.
Sheftel attacked the doughty, 81-year-old Polish lawyer turned Israeli police investigator on what he said was an important omission in one of her written reports.
On Tuesday Radiwker had described the excitement of survivor Eugen Turofsky when he identified the picture of Ivan the Terrible in a photo-spread sent in 1967 by the U.S. immigration authorities. "How come there was no indication of this excitement in your written report?" Sheftel wanted to know.
"I wrote that the witness recognized Ivan at first glance and saw no need to mention his excitement,"



Radiwker explained rather blandly. Sheftel next confronted Radiwker with a statement she gave to a police officer here in January 1986, in which a mistake occurred. "I didn't pay attention and signed the statement without reading it; I'm ashamed," she said.
Sheftel also asked Radiwker about the fact that of all the 12 witnesses she questioned, only Turofsky had known Ivan's family name, Demjanjuk. "Why did you not ask Turofsky how he came to know that name at Treblinka?" he wanted to know.

"That information did not interest me," the witness said.
At this point presiding judge Dov Levin interjected that apparently the late Turofsky himself had not thought that his knowledge of Ivan's family name was important.
The defence asked the court to admit as evidence proceedings from a Florida court in which Turofsky had been unable to identify in person the accused Treblinka guard Fedor Federenko. But Levin ruled that proceedings from the U.S. court were not admissible.
"If Mr. Turofsky were alive, I could cross-examine him and ask him all the questions to which I need answers," Sheftel argued, "but now I can never ask him."
Sheftel also challenged the method used by Radiwker in her photo identification proceedings. He asked the investigator why the pictures of Demjanjuk and



John Demjanjuk laughs during yesterday's session of his trial. (AFP)

Peres blasts critics of gov't

Against the State of Israel," Peres

Levy: No 'amen' at Herut convention

By YA'ACOV FRIEDLER
Jerusalem Post Reporter.
"A. — The forthcoming Herut convention will not be like a pist monastery, with delegates vied to say only 'Amen'." — Party Premier David Levy last night told a meeting of Herut activists from the North.
No one should threaten me. I will not give up the right to a democratic election of candidates; the sake of preventing another election, such as that which occurred at the convention a year ago," he said to the audience of Jewish, Druse, Arab, and Beduin party members in the Ron hall here.

Peres to visit Spain

Post Diplomatic Correspondent.
Foreign Minister Peres will make an official visit to Spain sometime next month, the foreign ministries of Israel and Spain announced simultaneously yesterday.
Officials in Jerusalem described the visit, which will be the first by an Israeli foreign minister to Spain, as "an important step in the development of our bilateral relations."
Peres's visit reciprocates that of Spanish Foreign Minister Francisco Fernandez Ordóñez who was in Jerusalem last September. Peres is expected to discuss bilateral issues, Middle East affairs and Israeli-EEC relations with his hosts.
Israel and Spain established diplomatic relations last year.

Labour's show of unity

By MENACHEM SHALEV
Jerusalem Post Reporter.
TEL AVIV. — About 3,000 Labour Party activists convened here yesterday to put on a show of party unity and harmony, clearly meant to contrast with the discord expected at the Herut convention, which meets on March 29.
Party leader Shimon Peres told the gathering that Labour "has never been more united, or credible."
"Whoever believes that we have given up on the idea of an international conference is mistaken," he said. If the Arabs "want an international beginning to peace talks," he declared emphatically, "there will be an international beginning."
Histadrut Secretary-General Yisrael Kessar, seizing the same issue to score some inner-party points, said that the Likud "needs an international umbrella in order to determine the agenda for their convention."
An article scheduled to appear in today's *Ha'aretz* dealing with the "Rabin camp" in Labour and with

the possibility of a Peres-Rabin contest for party leadership angered many of the delegates. "The press should not look for ruptures in our party," he said.
Defence Minister Rabin also radiated harmony. Both he and Peres had made many mistakes in the past, he said. But in the past three-and-a-half years, "we have made a turnaround." Labour is now a shining example for all the nation, he said.
Only Jerusalem Mayor Teddy Kollek, in a rare appearance, at a party meeting, sounded less than satisfied with the state of the party and the country as a whole. Although Labour was Israel's best party, "it was still not good enough." The public "does not believe in parties, not in this nor in the other one," he said.
Referring to Likud claims that Peres is frustrated by his No. 2 position in the government, party Secretary-General Uzi Baram said that "the problem is not with the No. 2 man. It's with the No. 1 man who is the problem."

Japanese firm claims anti-Aids agent

OSAKA (AFP). — A Japanese pharmaceutical company said here yesterday it had developed an agent that is effective both in preventing infection with the killer Aids and in treating it.
The new agent, named UFC-A, is made from a chemically synthesized organic compound, Ueno Fine Chemicals Industry Ltd. said. Ueno officials said the company had obtained good results in recent tests of the new agent.
UFC-A has shown low toxicity in tests on mice and rats, the officials said.
It can be taken orally, they said.

Mia Ingstad Shmuel Penchas
Married
New York, N.Y.
February 26, 1987

SPIES
(Continued from Page One)
Durenberger, according to sources present during the meeting, said that the Pollard affair has been a source of very deep concern to him and to other lawmakers in Washington.
He said that the U.S. and Israel have a "unique relationship," but he dismissed the prevailing opinion that the U.S. does not spy against Israel.
It was at that point in his remarks, the sources said, when Durenberger charged that Casey had actually recruited an Israeli spy.
Durenberger, who was not speaking from a prepared text, said that Israel initially became suspicious when an article appeared in the American press detailing some aspect of Israel's invasion of Lebanon. The article quoted U.S. intelligence sources. It was only from an inside Israeli source that the U.S. could have obtained that information, the senior said.
He told the audience that it was important that this information eventually be released in order to put the Pollard affair into proper perspective. "Israel and the United States should open up and get this information out," one source quoted Durenberger as having said.
Durenberger went on to accuse Casey of not informing the chairman of the Senate and House Intelligence Committees of the covert U.S. effort to spy on Israel — as required under U.S. law.

CORRECTION
The reasons behind Soltam Ltd.'s decision to lay off 250 workers were reported incorrectly in yesterday's *Jerusalem Post*. A spokesman for the company says the Pentagon has not yet awarded the mortar and shell contract, and that the decision to dismiss the workers was connected to general downturn in sales.

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With deep sorrow we announce the sudden death of our beloved husband, father and grandfather
Adv. JACK LEVINSON ז"ל
on March 17, 1987 — 17 Adar 5747.
Mourning by:
Wife — Hetty
Sons and Daughters-in-law — Jonathan and Shifra
Raffi and Roseanne
Daughter and Son-in-law — Judith and Shimon
and all the grandchildren

Keren Kayemeth Lelsrael Jewish National Fund
mourns the passing of
JOSEPH PESSAH
Paris, France
and extends its condolences to his wife, family and friends.

ELAINE SCHECHTER
née Singer
A memorial service and tombstone unveiling will take place on Tuesday, March 31, 1987, at 4 p.m., at the Kfar Nachman cemetery, Ra'anana.
We shall meet at the cemetery entrance at 3:45 p.m.
Parents, Family and Friends

Our Dear
SHLOMO SIEGFRIED BEIN
is no more.
The funeral will take place today, Friday, March 20, 1987 at 10:30 a.m. at the Old Hof Hacamel cemetery, Haifa.
Mourning by: Bein Family
Nativ Family
Lux Family

On the ninth anniversary of the passing of the head of our family, a prince among men,
HYMAN BESSIN ז"ל
and on the sixth anniversary of the passing of our beloved mother
MARION BESSIN ז"ל
Ottawa — Netanya
we will hold a memorial service on Sunday, March 22, 1987, at 3:30 p.m.
We will meet at the grave at the Sanhedria cemetery, Jerusalem.
At 4:30 p.m., there will be a ceremony for the awarding of scholarships in memory of Hyman and Marion Bessin.
The ceremony will be at Mossad Harav Kook, Rehov Maimon, Jerusalem.
The Family

On Sunday, March 22, 1987, at 3:15 p.m. at the Sanhedria cemetery, we will unveil the stone of our beloved daughter and sister
MIRIAM MINDEL ARONSON ז"ל
(Toronto — Canada)
Rabbi Dr. David and Leya Aronson
Tuvia, Aldva, Bracha, Esther and Ya'acov

In deep sorrow, we announce the passing of
THEDI LEWALD
The funeral took place on Sunday, March 15, 1987, in Hadera.
Hadassah Lewald.
The family in Israel and the USA

POLLARD — HOW GREAT THE REPERCUSSIONS?
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The New York Times
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THE JERUSALEM POST

Czechoslovakia decides to introduce Soviet-style reforms

VIENNA (Reuters). - Czechoslovak President Gustav Husak has said his country, one of the most conservative in the Communist bloc, will adopt far-reaching Soviet-style political and economic reforms.

In an address to the Central Committee of the ruling Communist Party on Wednesday, Husak promised the biggest change in the country's economic management system since a mass nationalization programme following World War II.

Husak, 74, was speaking less than three weeks before a planned visit to Prague by Soviet leader Mikhail Gorbachev.

He said the party must consider democratic reforms already proposed by Gorbachev, including secret ballots for party posts, and called for a more open information policy.

"We want people to know what is happening in

our country, what is being decided and how it is being decided," he said.

Husak dismissed as fabrication Western reports of disputes within the Czechoslovak leadership, saying his country's position reflected a "united stand taken by the party presidium."

Prime Minister Lubomir Strougal has openly embraced the principles of the Gorbachev proposals while more conservative figures like ideologue Vasil Bilak have concentrated on urging caution.

On possible democratic changes, Husak said: "The work of the legislative assemblies and deputies should improve and the role of the revolutionary trade union movement should be assessed."

As in other Communist states, trade unions in Czechoslovakia act more as an arm of state administration than as independent campaigners

to improve workers' conditions.

Gorbachev's proposals were "drawing extraordinary response in the whole Czechoslovak party and people," Husak said.

He said nobody was forcing the Soviet ideas on Czechoslovakia. But he added: "We have been learning from Soviet Communist in the entire history of our party and the more shall we use their experience today."

Gorbachev has paid official visits to all other East bloc states except Romania whose leader Nicolae Ceausescu has reacted with hostility to the Soviet reforms, ruling out market influences and decentralization.

He said a draft law setting out the changes for state enterprises would be worked out by June 15, and this would include provisions for enhancing the role of party bodies in plants.

Reagan victory may be short-lived

Senate votes \$40m. Contras military aid

WASHINGTON. - President Reagan's victory over Congress Wednesday night in obtaining \$40 million in military aid for the Nicaraguan rebels may be short-lived, congressional sources said yesterday.

The Senate Wednesday defeated by a 52-48 vote a bill that would have stopped the \$40m. from reaching the rebels, known as Contras, fighting the leftist Managua government.

Although Congress legally has until Friday to pass legislation blocking the money - the last instalment of a \$100m. aid package approved last year - Contra aid foes have admitted defeat on the \$40m. But they say Reagan is unlikely to be able to push through a bill in September for a further \$105m. Contra military aid for fiscal year 1988.

President Ronald Reagan was last night holding his first press conference on the Iran arms sale scandal in Washington, hoping, in his words, "to be able to clear all that up."

Reagan's previous news conference was held November 19, after he had

acknowledged covert arms sales to Iran, but before it was revealed that some of the proceeds from the sale had been diverted to the U.S.-backed Nicaraguan rebels.

White House spokesman Martin Fitzwater earlier yesterday predicted that 95 per cent of reporters' questions at Thursday's press conference would focus on the Iran-Contra affair, but he did not think it would be the President's "toughest" encounter with the press.

The senate action Wednesday was a victory for Reagan, who is trying to recover from the scandal following the disclosure last November that Washington secretly sold arms to Iran and diverted some profits to the Contras. The vote followed the passage of a bill by the House of Representatives to temporarily halt the \$40m. until Reagan accounted for past aid, including funds diverted from the arms sales. Attempts later yesterday to bring the same measure to a Senate vote were expected to fail.

(Reuters, AP)

World journalists body urges hostages' release

By MICHEL ZLOTOWSKI
Jerusalem Post Correspondent
PARIS. - The Board of the International Organization of Journalists declared itself "deeply worried by the fate" of the three French journalists - Jean-Pierre Kauffmann, Jean-Louis Normandin and Roger Auque - held as hostages in Lebanon. The Board met in Moscow yesterday.

The organization called on "all the journalist organizations (in the Middle East) to take all possible measures to obtain the release of those journalists that have nothing to do with the accusations brought against them."

The French government has refrained from comment since the Lebanese terrorist group, the Revolutionary Justice Organization

(RJO) said the "execution" of Normandin was postponed for a week.

France's foreign minister yesterday cancelled an official visit to Jordan "because of the situation," the foreign ministry said.

Jailed pro-Iranian terrorist Anis Naccache, has sent a message to the RJO through his lawyer, saying that "in the name of our common struggle, I beg and adjure (you) to spare the life of the innocent Normandin." Naccache is serving a life sentence for the 1980 attempted murder in Paris of Shahpour Bakhtiar, the last prime minister under the Shah.

French government spokesman Denis Baudouin told *The Jerusalem Post* yesterday that it was "very unlikely" that the premier would give in to the RJO's demands.

Smoking might be good for something, scientist claims

BOSTON (AP). - A Denver scientist believes he has identified an apparent health hazard of giving up the smoking habit - an increased risk of an intestinal disease called ulcerative colitis.

The research, published in *The New England Journal of Medicine*, also confirms that people who continue to smoke have a somewhat lower risk of the disease than do those who never smoked.

However, the researcher and his team from the University of Colorado cautioned that their finding does not mean smokers should keep smoking, because the pluses of quitting still far outweigh this single minus.

Dr. Edward Boyko, who directed the study, said the study found that people who give up smoking are twice as likely as those who never smoked to get ulcerative colitis. For those who continue smoking, the risk is 40 per cent lower

than that faced by people who never smoked.

About one in 1,000 Americans has ulcerative colitis, so despite the added risk among reformed smokers, their odds of getting the ailment are still low.

The cause of ulcerative colitis, a chronic inflammation of the lining of the large intestine, is not known. The disease usually strikes people between ages 20 and 40, causing diarrhea, cramps and bloody stools.

FOREIGN BRIEFS

Syria warns against killing hostages

BEIRUT (AP). - Syrian forces controlling West Beirut have threatened severe punishment if any of the 25 foreign hostages held in Lebanon are killed, police said yesterday.

In another development, a bomb exploded in the predominantly Christian East Beirut, killing two people in an automobile and wounding five other people, police said. There was no claim of responsibility.

"The Syrians have sent messages through Shi'ite clerics that they will not sit idly by if a foreign hostage is killed," a Beirut police official said. "They threatened the severest possible punishment."

The official said one result of the Syrian threat was Tuesday's announcement by the pro-Iranian Revolutionary Justice Organization that it had put off for a week its plans to kill French hostage Jean-Louis Normandin.

On Wednesday, a Saudi Arabian embassy employee became the first kidnapped hostage to be freed in West Beirut since the Syrian military intervention.

Ferry owners assign £2m. to victims

LONDON (Reuters). - The owners of the ferry which capsized off the Belgian coast two weeks ago have set up a fund of more than £2 million to compensate victims. At least 134 people are believed to have died in the disaster.

A company official said the money would be available for those affected by the capsizing of *The Herald of Free Enterprise* ferry as it set off on a crossing from Zeebrugge to Dover on March 6.

Britain's law society said earlier this week some 120 people had so far asked for legal help over compensation.

Soviets free 3 more dissidents

MOSCOW (Reuters). - Valery Senderov, a campaigner for independent trade unions in the Soviet Union, and three political dissenters from the Republic of Georgia have been released from prison, bringing to 90 the number of dissident sources freed since early last month.

Yelena Bonner, wife of physicist Andrei Sakharov, told reporters yesterday that Senderov, sentenced in March, 1983 to seven years in a labour camp to be followed by five years' internal exile, was freed Wednesday.

Dissident sources in the Georgian capital of Tbilisi, speaking by telephone to reporters in Moscow, named two of the three prisoners released there as nationalist activists Taneli Gvinashvili and Irakly Tsereteli, and the third as Emanuel Tvaladze, who was linked to an unofficial Georgian musical group called "Phantom," made up mainly of practicing Christians or Jews.

UK denies Waite in Iran Embassy

LONDON (Reuters). - The Foreign Office said yesterday there was no evidence to suggest that missing Anglican envoy Terry Waite was being held in the Iranian Embassy in Beirut.

The Soviet weekly *Literaturnaya Gazeta* Wednesday carried a report saying Waite, who went missing on January 20 after going to Beirut in a bid to secure the release of Western hostages, was being held in the heavily-guarded Iranian Embassy.

Greek church opposes government

ATHENS (AFP). - The Greek Orthodox Church announced yesterday it will give away its land to needy farmers in a bid to counter a bill by the Socialist government of Prime Minister Andreas Papandreu. The bill calls for the expropriation of church land.

A statement issued by the Holy Synod, the church's highest body, said its 78 bishops would also boycott national celebrations next Wednesday marking the beginning of the uprising against the Ottomans in 1821.

The move is seen by observers as a virtual declaration of war against the Papandreu government.



Johannesburg students plant 69 black crosses on the lawn of the Witwatersrand University campus to commemorate the blacks killed in the anti-pass laws at Sharpeville 27 years ago. Armed police stood guard outside the campus as 300 students of all races marched singing through the grounds. The students were persuaded by lecturers not to leave the university grounds. (Reuters)

Djibouti bomb kills 11 in cafe favoured by French

DJIBOUTI (Reuters). - A bomb explosion Wednesday night killed 11 people in a cafe favoured by the French garrison. The country's foreign minister said it was aimed at disrupting progress towards lasting peace in the Horn of Africa.

Forty other persons were wounded. Three West Germans were also among the dead.

Foreign Minister Moumin Bahdon Farah described the attack as "an odious criminal act against innocents," aimed at endangering a growing rapprochement between countries in the region.

However, police sources said the explosion which ripped through the crowded Cafe Historil, a popular haunt of the 3,000 French servicemen stationed in Djibouti, was probably intended as a protest against the French military presence. Although Djibouti became independent in 1977, France retains a major air and naval base in the country.

Two weeks ago, French Defence Minister Andre Girard said during a visit that links between the two countries were close and if anything would grow stronger.

The Defence Ministry here said another 25 French soldiers and family members were among the wounded.

French arrest 6 for spying

PARIS (AP). - Police arrested four men and two women on charges of spying at the National Space Centre at Vernon, government sources said yesterday.

The sources, speaking on condition that they not be identified, said five of the six were being interrogated by officials from the French police counter-espionage agency, the Direction de la Surveillance du Territoire, or DST.

The sixth was charged, but then released from custody under judicial supervision, the sources said. All six were arrested Monday, and charged on Wednesday with espionage for a foreign power, the sources said. The country allegedly involved was not identified.

The French government made no immediate announcement of the arrests or charges.

The National Space Studies Centre at Vernon, about 80 km. west of Paris, is developing the engine for the Ariane-4 rocket and is studying designs for the planned Ariane-5 launcher. There are about 1,600 employees at the centre.

Top PLO man seen at odds with Arafat

ABU DHABI, United Arab Emirates (AP). - A senior official of the Palestine Liberation Organization appeared to be at odds Thursday with his leader, Yasser Arafat.

PLO representatives at a proposed Middle East peace conference "have to be active members in the PLO, and known as such to all parties, including Israel and the U.S.," the official was quoted as saying in an interview in the state-run newspaper *Al-Itihad*.

The unidentified official was responding to a quote attributed to Arafat, in press reports from Tunis earlier this week, that a Palestinian delegation to the peace conference would not necessarily have to include PLO officials.

In a separate interview the newspaper quoted Salah Khalaf, Arafat's right-hand man in the main PLO guerrilla group Fatah, as saying the "minimum requirement" for a Middle East settlement was the establishment of an independent Palestinian state.

In Damascus, a radical Palestinian group accused Arafat yesterday of making concessions to Israel and the U.S. over the proposed international conference by implying the PLO need not attend such talks.

A spokesman for the Popular Front for the Liberation of Palestine (PFLP) said Arafat's statements "constitute clear-cut evidence that his rightist leadership is ready to offer further concessions in response to U.S.-Israeli preconditions."

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and Israeli art.

Navon-Shmueli row over education

By BERNARD JOSEPHS
Jerusalem Post Reporter

A full-scale public row between Education Minister Yitzhak Navon and his former director-general Eliezer Shmueli raged yesterday as the veteran official hit back at a personal attack on him published by the ministry on Wednesday.

A bitter Shmueli implied that the minister had dealt with him dishonestly. He said the two men had "absolute" differences over the running of the school system.

"History will be the judge of which of us is right," said the usually cool, urbane civil servant who was director-general of the Education Ministry for 10 years, and who left his post eight months ago.

The differences between Navon and Shmueli, which began when the minister took over the education portfolio in 1984, reached a head when Shmueli criticized the running of the ministry in a speech at an Ort conference in Nahariya.

Although he later said he was not attacking the ministry he was quoted as saying—among other things—that "the present leadership" did not have sufficient power to carry out decisions or put its message across.

The result was an onslaught on Shmueli's record in a statement put out by Navon's spokesman, Yisrael Cohen.



Eliezer Shmueli



Yitzhak Navon

The former director-general, he said, had not resigned but had been fired by Navon, "because he had failed in his task" and had not managed to control the ministry. In addition, he alleged, Shmueli, as director-general not only failed to carry out ministerial policy, but he actually blocked it.

"The spokesman is sorry that he has been forced to make public the reason Shmueli left the ministry, reasons it had intended to keep pri-

vate," said the statement. Then came a stinging attack on Shmueli's performance as the country's education boss. "Shmueli's behaviour shows a great deal of hypocrisy. No one remembers him making such criticisms (as he made at the Ort meeting) during the period in which he could have changed things," Cohen said. "When he began as education minister Mr. Navon found the ministry in chaos. Work methods were

old-fashioned, there was a waste of resources and a lack of basic expertise."

The budget deficit he found prevented implementation of the educational ideas that he wanted to introduce, Cohen said. "As a result the minister had no alternative but to fire Shmueli for the good of the educational system."

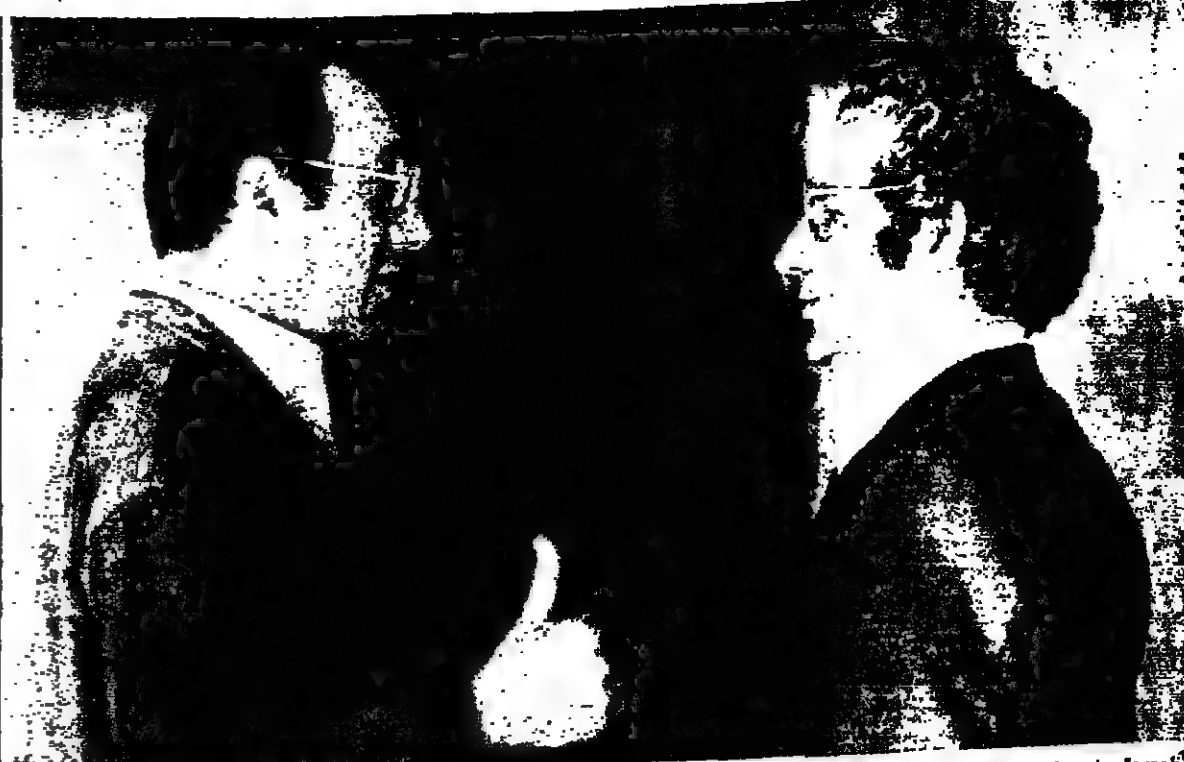
Shmueli denied strongly that he had been fired. "I remember standing in front of the TV cameras with Navon next to me when I announced my resignation," he said.

Judy Lutz, the television education reporter, asked Navon if he wanted me to stay and he told her he had urged me to do so. I can't understand why now, eight months later, he has decided to fire me retroactively."

The former director-general, who served under five ministers, said his record of "hard work, devotion and performance" spoke for itself.

"No other ministerial director-general has stayed on for so long and no one who has devoted his life to public service has been attacked in such a way."

"The minister and I had differences. There were absolute differences about the running of the ministry. I don't want to go into detail, but I am surprised at what has happened."



David Liba'i (right) caught in conversation with Ehud Olmert in the Knesset yesterday. (Rahamim Israeli)

Conflict of interests?

Liba'i v. Rubin over Pollard probe

By MENACHEM SHALEV
Jerusalem Post Reporter

The advice given to three officials who are involved in the Pollard spy scandal not to testify before the Rotenstreich-Tsur investigating panel has pitted former Israel Bar chairman and Labour MK David Liba'i against Jerusalem attorney Ya'acov Rubin, elected to head the Bar only last week.

Liba'i says that MK-attorney Liba'i, in representing Yosef Yagor, Ilan Ravid and Irit Erb, is engaging in a classic case of "conflict of interests."

"Liba'i serves in a public capacity in which he is charged with overseeing the activities of civil servants. At the same time he is giving legal advice to civil servants not to appear before a government-appointed committee," Rubin says.

"Liba'i is also a member of the Labour party, which took part in the decision to set up the investigating committee," he added, "and Liba'i's advice might undermine that same committee's functions."

A disgruntled Liba'i, who was Bar chairman between 1982-1984 and who also serves as chairman of the Knesset's Public Audit Committee,

said yesterday that Rubin's behaviour was extremely "puzzling and grave," because he "expresses opinions in public about a colleague's behaviour without first checking the facts and without asking the attorney in question."

Liba'i says that he has been representing the three since August 1985 and that his clients "absolutely refuse" to relieve him of their representation. "Does the Bar chairman expect me to abandon them to their fate from one day to the next?" Liba'i said yesterday.

Liba'i said that last week he had informed the Knesset sub-committee on intelligence—which is also investigating the Pollard affair—that he would not represent the three. "Not because of a conflict of interest but because people will say that there is a conflict of interest."

Liba'i also said yesterday that in advising Yagor, Ravid and Erb not to testify before the fact-finding committee, he had been motivated by the question what would happen to the material after the investigation.

He told Educational TV's *Erev Hadash* news magazine that he saw no legal justification in withholding the material from the U.S. investiga-

tors, if they request it from the two-man panel.

Rubin said that from a legal point of view he agrees with Liba'i that the testimony of the three might incriminate them and that they shouldn't testify before the Rotenstreich panel. He added that with our recent experience of fabrication of evidence before the committees which investigated the Shin Bet affair, it might have been more advisable for the government to establish a judicial commission of inquiry.

Rubin objects to the proposal to empower the panel to subpoena witnesses and to have them testify under oath. "This would turn it into a judicial commission of inquiry," he said. He also rejected the assertion that the two-man panel will be able to keep its deliberations secret more successfully. "If one wants secrecy, a judicial commission of inquiry can do just as well," he said. "If one doesn't, then the two-man panel won't help."

The decision to establish the panel was "political," Rubin says, adding that "from a strictly legal point of view, a judicial commission would have been preferable."

It's bustling matza time at Kfar Habad

By HAIM SHAPIRO
Jerusalem Post Reporter

While the rest of the country is just getting around to packing away Purim costumes, the preparations for Pessah, almost a month away, are already in full swing at Kfar Habad.

The matza factory, where round, hand-made, *matzo shmurot* (specially prepared unleavened breads) are turned out on something like a production line, is bustling with activity. Hundreds of school children arrive daily to see the matza factory and hear the message of Habad's spiritual leader, the Lubavitcher Rebbe.

The children range from kindergarten to high school age although most are elementary school pupils. They come from the leftist Hashomer Hatzair kibbutzim as well as the ultra-Orthodox "independent" schools of Agudat Yisrael, according to Dov Wolf, Habad spokesman.

Hundreds of children visited the factory this week, he said, but as the holiday approaches, between 5,000 and 10,000 are expected every day in the week before Pessah.

The factory, a plain cement block structure, has a metal railing which keeps the visitors separated from the workers. This is to prevent *hametz*

(leavened products) the visitors may be carrying from contaminating the matza. Working with stopwatch precision, the young men in the factory ensure that not more than 15 minutes pass between the time the flour and water are mixed and the matza is baked.

In that time, the dough is kneaded with the help of stainless steel poles attached to tables, where the youngsters jump up and down in a frenzy to bring their weight down on the dough.

Another team rolls the dough into a long snake and throws it over to the worker who cuts it into portions. Three sets of workers with steel rolling pins roll the matza progressively thinner while a final expert spins each out in the air, pizza fashion.

After it is perforated with a special implement, the matza is draped over a wooden pole, with which it is put into a wood-burning oven. The entire process is carried out in a flurry of activity, to the beat of hassidic music, played full-blast, over loudspeakers.

Every 15 minutes—the time halachic authorities have determined it takes dough to begin fermenting—the teams rush over to different work surfaces and tools. Those they previously worked with are scrubbed down. The wooden poles,

between each use, are sanded down to ensure there is no dough in the crevices.

The oven burns olive wood. It is long-burning and doesn't give a taste to the matza, Wolf explains. Outside is a huge woodpile, ready for the oven.

Production actually began in the fall, soon after the High Holidays. By December, the first shipment of matza left for the Soviet Union, using channels known only to the Habad hassidim.

Some of the matza is sold in bulk, to strictly observant Jews who will not touch the commercially produced matza sold in grocery shops and supermarkets in the familiar square packages. Others are distributed in packages of three, for those who want the three special *matzo shmurot* on their seder table.

After seeing the factory, the children are herded into a large synagogue building, where a speaker tells them that the Lubavitcher Rebbe wants each of them to have a *siddur* (prayerbook), a *chumash* (Pentateuch) and a charity box. Soon, the speaker tells them with enthusiasm, the Messiah will come and there will be no wars, no disasters.

"It will be a time of *Kef* (pure joy)," he says.

Dissident journal denies funding by CIA

By ROBERT ROSENBERG
Jerusalem Post Reporter

The Israeli correspondent of *Kontinent*, a leading Russian-language dissident publication in the West, has denied a *Jerusalem Post* report that quoted Soviet intelligence sources as saying that the quarterly was financed by the CIA.

According to Avraham Ben-Ya'acov, who recently was appointed the Israel correspondent of the literary quarterly, the late Axel Springer, the West German publishing tycoon, financed *Kont-*

inent from its 1974 inception. He included in his will an endowment that continues to provide the necessary funding for the journal.

Ben-Ya'acov, a Hungarian-born Russophile, told *The Post* that *Kontinent* has won more than a dozen libel cases against U.S. and European publications for making similar allegations.

"Nobody has been able to prove the allegations," Ben-Ya'acov said. "He described what he called 'the rumours and lies' about the CIA financing as part of an ongoing dis-

information campaign aimed at discrediting the journal.

That campaign, he implied, thrives on what is often a vituperative debate in Soviet emigre intellectual circles about Russian literature outside the Soviet Union.

During a visit to Israel in late 1984, Vladimir Maximov, the editor of *Kontinent*, hinted at just such a debate among emigre circles.

In a short article called "Moscow-Jerusalem," published in *Ha'aretz* that December, Maximov wrote that on his first flight to Israel some years before, he had "two feelings: tense expectation and euphoria."

The "tense expectation" wrote Maximov, was a result of "the fever of our emigres, the mutual informing on one another, the meaningless quarrelling, the depiction of national characteristics as somehow relevant to argument."

The "euphoria" he wrote about was in his feeling of awe about being in the Holy Land.

As his turned out, he wrote, he did not find the same kind of unhappiness at the emigre's fate in Jerusalem that he had found in Paris, where he

had begun publishing *Kontinent*.

Nearly two decades of intellectual dissent and emigration from the Soviet Union, has spawned some 30 Russian-language periodicals. Ten publishing houses in Western Europe, the U.S. and Israel produce some 130 original titles a year.

The bulk of the magazines' circulation is in the West, among the emigres who have taken up residence in major metropolitan areas such as New York, London, Paris, Munich, Berlin, and in Israel. But the ambition of the publishers, editors and writers of these journals is to circulate inside the Soviet Union.

Indeed, according to Ben-Ya'acov, who recently replaced Mikhail Agursky as the Israel correspondent of *Kontinent*, several hundred copies of each issue of the quarterly reach the Soviet Union.

They are smuggled into the country by tourists and Russian sailors. Soviet Jewish intellectuals outside of the USSR say that an individual copy of *Kontinent*, which is edited by Vladimir Maximov in Paris, or some of the other dissident magazines, might reach as many as 100 people.

BEIT HANNAH Elderly Residents Home (Family Style)

The home has now opened in Hod Hasharon. This is a high level family style home for the elderly, with a well trained professional staff, kosher cuisine and medical supervision. Limited number of places available.

For details and registration, between 3 p.m. and 8 p.m., please call: 052-440198 and 03-916224.

SALE OF REAL ESTATE, JERUSALEM

Bids are invited for the purchase of the Jerusalem real estate detailed hereunder. The property is situated in Romema, Rehov Yafa, corner Rehov Saraf Yisrael, and Rehov Saraf Yisrael corner Rehov Rashai.

Block 30076, parcels 2, 20, 21, 22, 136, 137, 139

The total registered area is 5,363 sq.m.

A building plan has been prepared for the above parcels, and the neighbourhood committee has recommended that it be submitted for approval. The complex includes an ordinary or apartment hotel or senior residents' home, in addition to offices and commercial area. The entire area consists of approximately 22,700 sq.m.

- Conditions of the Tender:
1. It is the bidder's responsibility to check the details of the plan detailing the existing and possible building options.
 2. Bidders are invited to submit cash offers for the value of this property.
 3. Bidders should state the price offered, with the addition of VAT, which the successful bidder will be required to pay. Payment terms and payment guarantees offered should be stated.
 4. A bank guarantee of 5% of the bid total, valid for 30 days from the last date for submitting bids, should be submitted with the bid.
 5. If no agreement is signed during this guarantee validity period, the bidder will be required to extend the validity of his bank guarantee for a further 30 days, failing which his bid will be regarded as void.
 6. Bids should be submitted in a sealed envelope to the office of the undersigned, 34 Rehov Ben-Yehuda, Jerusalem, City Tower building, 15th floor, not later than April 15, 1987. Mark bids: "Romema, Jerusalem Tender."
 7. Additional details, a plan of the parcels and table of approved building sites, etc. are available from the undersigned. Tel. 02-228161.
 8. No undertaking is given to accept any bid.

Elkan Shmueli, Adv.
Shraga P. Elkan and Co., Attorneys
34 Rehov Ben-Yehuda, Jerusalem 94583

New \$500,000 Wing Opens Sunday

at the David Yellin Teachers College in Jerusalem, forming a centre for Technology and Communications studies in this 74-year-old teachers training college.

The new addition to the building will be opened officially by Judge Elazar Halevy, a former graduate of the College, and chairman of its Board of Directors, and will house a computer centre, music centre, language laboratory, closed-circuit television studio and administrative offices.

We need your help

We have established a registered charitable foundation (no. 58-011-452-8) with the idea of helping elderly people by providing social activities and opportunities to pursue hobbies, enjoy entertainment, etc.

The aim is to eliminate the loneliness from which many of our senior citizens suffer. At the moment, activities take place at Beit Mahagana, Beit Agron, Jerusalem.

We call on the public to contribute to this most worthy endeavour, which is based on volunteers.

Contributions should be paid into Bank Leumi (King George Ave., Jerusalem branch) acc. no. 13041-58.

Exec. Committee:
Lea Spitzer
Simcha Azriel
Esther Cohen
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Address: 12 Hagodolim, Ramat Hasharon 47657.

Tuition committee meets today

The interministerial committee on university tuition will convene today to decide on next year's fees. The committee, headed by Education Minister Yitzhak Navon, will consider recommendations submitted by Science and Development Minister Gideon Patt, the university heads and the student unions.

If the committee does not agree on a sum, Navon will ask the government to decide the matter. Meanwhile, university students in Tel Aviv demonstrated to protest increases in tuition. Police prevented them from blocking traffic on the Haifa road. (Itim)

Road call-stations in operation soon

By JONATHAN KARP
For The Jerusalem Post
Sixteen emergency call-stations along the Jerusalem-Tel Aviv highway are soon to be put into service, once they are connected to the Magen David Adom communications network, the Transport Ministry said yesterday.

The call-stations have been installed in eight pairs at intervals of four kilometres between the Gannot interchange and Sha'ar Hagai. They are of the same type as those along the Coastal Road. Both projects were financed jointly by the Transport and Communications ministries.

The two ministries have also committed themselves to paying the maintenance costs of 50 emergency call-stations planned for the Dimona-Eilat road. The initiative for these stations came from the National Council for the Prevention of Road Accidents, and the West German Jürgen Pegler Foundation which has agreed to raise the \$500,000 necessary for the project.

The Pegler Foundation, located in Heilbronn, West Germany, was founded by a man whose son died in a road accident because the paramedics did not arrive in time.

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TENDER

1. Tender for the Acquisition of 4 Protected Tenants' occupied houses in Tel Aviv, 78-70 Rd. Rothschild, 79-81 Yehuda Halevi.
2. Bids for en bloc acquisition of all the four houses, as part of the bequest of Rachel Pines (deceased), must be submitted by March 31, 1987.
3. Additional details are obtainable at the office of the representative of the bequest manager, Adv. Yehuda Zalkman, 70 Rd. Rothschild, Tel Aviv, Tel. 515111, 515581, or at the office of the bequest manager, Adv. Shlomo Zalkman, Tel Aviv, 13 Dubnov St., Tel. 262266.
4. The bequest manager does not undertake to accept any bid and the sale is subject to approval by the Tel Aviv District Court.

Written bids, accompanied by a bank cheque in the sum of 5% of the bid value, should be sent to the office of Adv. Yehuda Zalkman, 70 Rd. Rothschild, Tel Aviv.

Adv. Shlomo Zalkman
Manager of the bequest
of Rachel Pines (deceased)

The Israel-Philippines Friendship Association

is pleased to announce a

Market Week

of gifts, toys, housewares, fashion accessories, to be held in Manila from April 27 to May 1, 1987. Special discount room rates of only US\$40 per night will be charged by the ten top first class Manila hotels.

ALISA BORCHARDT

The woman, mother and grandmother on her 80th birthday. Many happy returns, with admiration, pride and much love.

Mayer Chassis

THE POLLARD AFFAIR

Very Important Presidents

In U.S. Jewish circles, the Presidents' Conference has been seen as an ineffective umbrella organization. But their current visit to Israel in the wake of the Pollard affair has shown them in an assertive mood, reports Walter Ruby.

THE MEMBERSHIP OF the Conference of Presidents of Major American Jewish Organizations arrived here early Tuesday morning animated by a sense of urgency and crisis unparalleled in its nearly 30-year history.

However, after two days of politicking with top Israeli leaders and hurrying in media attention, their fears of the disastrous consequences of the Pollard affair for the future of U.S.-Israeli relations and for the ability of American Jewry to intercede effectively with Congress and the Administration on Israel's behalf, had been largely replaced by the conviction that the damage was controllable.

The leaders received with relief Prime Minister Shamir's promise to honour the recommendations of the Rostenreich committee investigating the Pollard affair. Conference members came away from their Wednesday meeting with Shamir with the clear impression that Aviem Sella and Rafael Eitan would be

demoted from their present positions if either the Rostenreich panel or the Knesset Foreign Affairs and Defence Committee, which is also investigating the Pollard affair, establishes proof of their culpability.

The Jewish leaders were heartened by their visit to the Knesset committee where Abba Eban and Shlomo Hillel, impressed them with a strongly stated commitment to follow the trail of evidence in the Pollard affair wherever it might lead. Conference leaders were assured that, despite the lack of subpoena powers of the investigatory committees, their moral force would be such that the top leadership would be unwilling to defy them.

However, the sense of self-satisfaction animating many Conference members by Thursday, went well beyond their sense of a job well done in helping persuade Messrs. Shamir, Peres, and Rabin of the need to take steps to convince Washington of their determination to get to the bottom of the Pollard

affair and punish those responsible.

There was a widespread feeling among the leaders that the Presidents' Conference, much derided even in American Jewish circles in recent years as an ineffective and unwieldy umbrella organization, had proved anew its *raison d'être* as it moved with dispatch to shore up U.S.-Israeli relations.

The shell-shocked state of Israel's top leadership allowed Presidents' Conference chairman Morris Abram and the members of his delegation to interact with Shamir, Peres, and Rabin on something approaching a level of equality.

RARELY KNOWN in the past for expressing themselves forcefully to the Israeli leadership on topics likely to be distasteful to them, the Presidents' Conference showed unusual assertiveness this time.

For example, Abram, who had declined to take a public position

three weeks ago when Shamir appealed in New York for cancellation of U.S. refugee status for Soviet Jewish emigrants, told a Jerusalem press conference Tuesday, that Shamir's appeal had been a "mistake."

When Absorption Minister Ya'acov Tsor demanded that the Presidents' Conference resolve the *neshira* (drop-out) issue along the lines demanded by Israel's leaders before the close of their convocation Sunday, the American Jews brusquely brushed him aside, with Wolfe Kelman, executive director of the Conservative Rabbinical Assembly, rising to declare that the Israel contention that *neshira* imperils Soviet willingness to sanction emigration, was a "red herring."

The Conference also made clear in meetings with Israeli leaders that the forthcoming April 1 U.S. report on compliance of Israel and other nations with sanctions against South Africa, is likely to have a profoundly

negative effect on Israel's standing if Israel does not signal now its intention to cut military trade with the apartheid regime.

However, criticism of the Israel-South Africa connection was toned down after Shamir and Knesset members such as Simcha Diniz cautioned that precipitous movement by Israel away from Pretoria could endanger the position of South African Jewry.

The assertiveness of the American Jewish leadership and their refusal to kowtow to official Zionist ideology, was evident in their refusal to back down from their previous disavowal of Jonathan Pollard and their rejection of the Shlomo Avineri thesis that this represented *galut* mentality or an abject attempt to curry favour with the Reagan Administration.

Pressed as to whether he ought not to have shown more compassion for Pollard, whose life sentence he had

called "just," Abram responded, "Pollard's act showed no mercy towards the United States, and his conduct since hasn't shown any concern for anyone but himself."

According to Dr. Daniel Thurz, executive director of B'nai B'rith, "We simply reject the traditional Israeli view of America as the *galut*. When Shamir says that Soviet Jews are trading one *galut* for another, it's offensive to us."

In a reference to the Pollard affair, Thurz said, "We have a political loyalty to the U.S., and it amazes us that Israel didn't understand that."

In coffee shop conversations between meetings, Presidents' Conference leaders traded stories of expressions of concern that have been bubbling up from the Jewish grass roots since life sentence was imposed on Pollard. But while some leaders conceded that constituents have indicated concern over possibilities over increased anti-Semitism, their

assessment is that fallout from Pollard is likely to be more severe for Israel than for American Jews.

As Abram put it, "American Jews are deeply disturbed about the Pollard affair, not for our own sakes but for the State of Israel." Said another leader, "If the insider trading scandal on Wall Street, where we have had the arrest of Ivan Boesky and so many other Jewish bankers, did not create a noticeable wave of American anti-Semitism, Pollard is not going to do so."

THERE DID seem to be a substantial level of concern among the leaders that the Pollard affair might make it considerably harder for Jews to rise to high positions in the State and Defence Departments. The unexpected resignation of Assistant Under-Secretary of Defence Dov Zakheim raised a few eyebrows among Jewish leaders at the Jerusalem Hilton, though his resignation was apparently unrelated to the Pollard affair. Still, virtually all of the leaders rejected the possibility that things could change fundamentally for American Jews, or even that they faced a potential problem of divided loyalties.

According to Jacob Stein, a former chairman of the Presidents' Conference and an influential backer of Vice President George Bush's presidential campaign, "I don't believe Israel and American Jewry are moving in different directions despite the Pollard affair and differences on issues like Soviet Jewish emigration. We are moving in the direction of the same goal, although we may be taking different roads to get there."

Asked if he did not fear that American Jewry could get squeezed in future conflicts of interests between the U.S. and Israel, Stein replied, "The question is so hypothetical I can't answer it." The question of whether he is more loyal to the U.S. or Israel, he said, had never arisen with him.

Stein added, "I'm very comfortable and secure in the U.S. and proud of my country, while maintaining intense affection and support for Israel. Were Israel's existence to be threatened, I would see my role as that of mobilizing support."

Malcolm Hoenlein

Dedicated servant, or political pusher?

Menachem Shalev

THE POLLARD AFFAIR and the ensuing rift in relations with U.S. Jewry has focused unprecedented attention on the 65 members of the Conference of Presidents of Major American Jewish Organizations who came to Israel this week and gave local politicians a piece of their mind.

Malcolm Hoenlein is executive director of the Conference, its top salaried officer. He was elected to his post last June. Hoenlein was besieged this week by scores of reporters and spent most of his first days here granting interviews to papers big and small. Talking about his job, Hoenlein is not fazed by the term *askani* (functionary) which carries a certain derogatory tinge in Israel. He says: "I knew that I wanted to be involved in Jewish causes since I was a little kid."

"It's a calling," he continues, "I work very long hours and I thank God for having enabled me to do full time what others can only do part time - work at what I care about most."

Hoenlein achieved political influence and public prominence as director of the New York Jewish Com-

munity Relations Council. He is Orthodox and close to Israelis on the right side of the political map such as Yosef Ben-Aharon, the director-general of the prime minister's office and Binyamin Netanyahu, ambassador to the UN.

Detractors call Hoenlein a "professional Jewish pusher." On the other hand, he was described in a letter to *The Jerusalem Post* "without doubt one of the most capable and dedicated Jewish civil servants in our time." The two descriptions may be two sides of the same coin: everyone agrees that Hoenlein is a talented "Jewish professional" who has gotten ahead of his peers.

Leftists, rightists, Orthodox, Reform and Conservatives all come under the umbrella of the Conference, which must operate on a basis of consensus. Hoenlein's predecessor, the late Yehuda Hellman, a former Israeli, was a behind-the-scenes operator who sought no personal publicity.

Hoenlein's style is more aggressive and flamboyant. Several American Jewish leaders have recently expressed concern that Hoenlein's political views and ambitions, as well as his tendency to seek publicity, pose a danger to the fragile equilibrium previously achieved in the Conference. The Conference should not,

and cannot, formulate its own policy, they say, and that is exactly what Hoenlein has in mind.

It is Hoenlein's unenviable task, at the present time, to serve as spokesman for the 65 Jewish organizations, who are members of the Conference. He smacks his forehead in exasperation, breathing "Oh no!" when asked for his personal feelings about Jonathan Jay Pollard.

Recovering, he says: "Personal feelings are something that, because of my position, I really ought not to express."

BUT BEFORE he reaches that saving formula, Hoenlein expresses several different, contradictory attitudes about Pollard, no doubt shared by a great many American Jews. He says that he is "offended by anybody who spies against the U.S." But, he continues, "there is always the lingering doubt that he may have been motivated by positive things despite the fact that he was paid," although, he adds, such motivation "does not mitigate the crime."

Media interviews with Pollard's father and family have, Hoenlein notes, "certainly evoked passion and concern." He points out that Conference Chairman Morris Abram's statement that Pollard was given a "just sentence" - a statement which aroused much criticism here - was

not "a judgment or an evaluation."

"He was saying that it was a sentence which came out after due process," Hoenlein explains adding, "It's not for us to make the judgment whether the sentence was just." But later he comments, "I think it was a very harsh sentence, to think of a 32-year-old man condemned to spend the rest of his life in prison."

Abram's statement was issued, says Hoenlein, in response to a "barage of phone calls by the press and requests for interviews. An absence of comment," he adds, "would have been interpreted wrongly. There are many American Jews who have expressed strong sympathy for Pollard," says Hoenlein. "I've received many letters and calls. There are many who ask why this information had to be stolen, rather than shared." Hoenlein realizes "that many people here will share" the views expressed by Professor Shlomo Avineri in an article in *The Jerusalem Post* who said that statements such as Abram's have caused "a degree of nervousness, insecurity and even cringing on the part of the American Jewish community" to surface.

But, Hoenlein maintains, the reactions were not "motivated out of self-interest or fear." He admits,

though, that there is "anxiety" in the American Jewish community.

"Every poll shows that Jews have anxieties about their status in their own communities," he says. "Any minority group is bound to have concerns of this kind, and Jews are no different. The fact that you didn't have an anti-Semitic backlash in the U.S. is testimony to the position of the Jews in the U.S."

"I admit that there are no guarantees," he adds. "There are many in Washington, Jews in government service, who tell us that they feel that their position has changed, that they feel uneasy because they are Jews in sensitive positions."

Hoenlein says that the promotion of Air Force Colonel Aviem Sella, Pollard's recruiter, and of Rafi Eitan, Pollard's operator, pointed to "lack of sensitivity" in Israel - an act of "dava." "It has caused people to say that 'Israelis have no contrition, that they are insensitive, that they think that they can thumb their noses at us,'" Hoenlein says.

Hoenlein estimates that "there is a chance - but not a probability" that the Pollard affair will express itself in cuts in U.S. aid to Israel, though he says this is not the feeling of the majority in Congress. Hoenlein is confident that nothing will come of calls to punish Israel.



Malcolm Hoenlein (Scoop 80)

Hoenlein diplomatically steers away from other issues which are currently causing contention between Israel and U.S. Jewry. He says that on his recent visit to the U.S., Prime Minister Shamir made a "very competent and impressive presentation" of the plea to deny political refugee status to Jews leaving the Soviet Union, but comments that although there was "sympathy" for Shamir's position, the proposal

was not really "viable."

Hoenlein also declines to comment on the "Who is a Jew" controversy, although he says that the Conference is concerned about "intermediate strife, whether political or religious."

Hoenlein was at the focal point of the flap over New York Catholic Cardinal John O'Connor's recent, controversy-laden visit to Israel. "Scars remain," he reports, "but they are healing." The visit, he says, "put the issue of Vatican recognition on the agenda."

O'Connor, says Hoenlein, "was very angry at what was done to him, not by us or by Israel, but by some of his own people in the Vatican."

Hoenlein dismisses claims that American Jewish leaders do not represent the masses of American Jews and that they are not elected democratically. He says, "We are selected, not appointed, and we are held accountable." He himself, he points out, was selected by a lay committee of past chairmen of the Conference, and his selection was ratified by that body.

Many in New York and Jerusalem claim that Hoenlein is actively striving to break out of Jewish politics and enter general American political life. He responds: "This is something that has been said since my early days. It has no validity. I've had opportunities but I've never considered them."

"My interest is in serving the Jewish people," he says, adding, "After all there are 435 Congressmen, but only one executive director of the Conference of Presidents of Major American Jewish Organizations."

Waiting for the answers

Arye Naor

PRIME MINISTER Yitzhak Shamir was absolutely right when he called on American Jewish leaders to view the Pollard affair "in context." He would have done even better had he added that the government of Israel would stop the unsuccessful attempts to minimize the significance of what had been described by him as only "a painful and sorry episode."

It is impossible to persuade American public opinion that the "episode" is insignificant, because in American eyes it is regarded as extremely significant. And more than that, by his repeated claims that the operation was carried out "without the authorization of any political echelon" a question mark is placed against Israel's competence as a strategic asset by none other than its prime minister.

Time and again Shamir has argued he did not know, and therefore could not have approved, secret service operations. Hence those services acted without "authority and permission," or, in ordinary language, illegally. That is how he excused himself of the GSS affair, and that is how he is now trying to wash his hands of the Pollard scandal.

But if he is right, one may question the real strategic benefit the U.S. can derive from Israel. A country which is not fully governed by its elected political echelon, a country where the secret services operate without permission, guidance and real supervision cannot seriously be regarded as a strategic asset, either in global or regional terms. This is one of the reasons why the

repercussions in the long run of the Pollard affair may be far reaching. Our own government seems to be doing its utmost in order to destroy American trust in Israel, the trust on which the relationship between the two countries is based. Attention should be paid in Jerusalem to the friendly and truly worried American voices which warn that a process of corrosion at the very base of U.S. friendship towards Israel, is now foreseeable.

It has not happened yet. Ambassador Thomas Pickering's assessment that "the U.S. has closer relations with Israel than with any other country bar none" is, for the time being, very comforting. Nevertheless, the danger of corrosion is a possibility about which Israel's government - whatever that expression stands for - should concern itself. It perhaps represents the most severe danger to this country's future from a strategic, as well as an economic and political point of view. But we are given American aid, on which we depend, not only because of our strategic value but mainly on the grounds of shared values and aspirations.

TALKING OF these values is not just an expression of a moralistic approach to politics, something so many people like so much to laugh at, but rather a realistic understanding of the deep motives of American foreign policy. In a changing world our strategic value is not that stable, solid a phenomenon as some of us would like. Even our strategic importance does not stand above the processes of world history, but rather stems from those processes.

Therefore, in the case of a change

in super power relations, the significance to American national interest of an asset like Israel may also be changed. Once such a development takes place on what basis could a continuation of the pipe-line from Washington to Jerusalem be anticipated? At such a time everybody will probably be reminded of those almost forgotten, naive values that both countries share. But is that sharing of values real?

In the past, there was no place for such a question. The answer was obvious. When former prime minister Menachem Begin disagreed with then-president Jimmy Carter on Israel's policy in Judea and Samaria, he strongly and powerfully presented Israel's case in terms based upon the moral heritage commonly shared by both countries, despite any temporary disagreement here or there.

It was extremely important for Begin to deepen and enlarge that sense of joint values, a sense he conceived as the permanent basis on which joint interests could be developed without being accidental, temporary occurrences. For that reason it was important to continue assuring the American consciousness that we indeed do share the same basic values. But is this still obvious? One cannot be sure now. The sense of sharing common values, which was damaged by the Lebanon war, is now uncertain because of the Pollard affair and the mishandling of its aftermath.

The danger arising out of such a process is that Washington may lose its interest in Israel. Of course this cannot occur overnight but with the coming presidential elections it is more likely to happen.

On grounds of a renewed dialogue with the Kremlin, the new tenant in the White House, free of Reagan's deep, genuine commitment to Israel, may re-shape America's Middle-Eastern policies. In the light of the crisis of confidence following the Pollard affair and its resultant effect on U.S. public opinion's faith with regard to its sharing the same values with Israel, it is not certain that Congress would stop that process of changing fundamental policy orientations.

BY SITTING with folded arms, doing nothing, or what may be even worse - by continuing the attempts to persuade America "not to exaggerate," we cannot save our interests. If we let time pass without changing our own approach, the dangerous process will become a reality and it will then be very difficult to turn back the clock.

What is now feasible in terms of a "project renewal" between Jerusalem and Washington is, first and foremost, that the government of

Israel reveal the truth and refrain from any more cover-ups. Secondly, the government must answer affirmatively President Reagan's letter which called for a restart of the peace process. In so doing, the real Israel

will again appear on the stage. But can this turn-from-the-inside government do it?

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Jesse and the Jews

Walter Ruby
New York

"THE POLLARD Affair and the Iran-Contra affair represent the price Israel has apparently paid for false security," the Rev. Jesse Jackson said this week. "Israel has been used... against its own long-term interests." The presidential contender declared that "Israel is now in the middle of a scandal," but nevertheless, "Israel is being singled out in ways it was never singled out before."

He added that the close U.S.-Israeli strategic and military relationship has hurt Israel more than it has helped, seducing the Jewish state into the multiple embarrassments of Pollard and Iran.

In an interview with *The Jerusalem Post*, Jackson gave his views of a host of international and domestic issues on which he has frequently clashed with Jewish leadership.

The black leader appeared conciliatory toward the Jewish community, while asserting that he has not changed his basic commitment to a restructuring of society on behalf of the dispossessed.

Reflecting on his overall relationship with American Jewry, Jackson said, "I've always tried to play a healing role," but "there have been high points and low ones."

Asked about the widespread perception in the Jewish community that he is an anti-Semite, growing out of his use of the word "Hymie" during the 1984 campaign, Jackson stated, "You have to put that incident into context. That was unfortunate language... for which I publicly expressed regret. But it was not meant to be derogatory or degrading. There are many Jews named Hymie and Hyman." Jackson said his use of the word "Hymie" in a private conversation "was certainly never meant to cause pain."

Jackson seemed bemused by the amount of attention paid to the state of black-Jewish relations, noting that in the wake of the racially motivated killing of a black man by white youths in the predominantly Italian Queens neighborhood of Howard Beach "no one asked about the relationship between blacks and Italians."

"The 'almost exaggerated' examination of black-Jewish relations 'is like constantly taking a flower out of a pot to see if it is still growing. Blacks and Jews are singled out, almost put upon. The continued investigation of our relationship... is often used to deepen the tensions that exist. Blacks and Jews have an interest to ask why we are always subject to constant examination.'"

ON THE issue of South Africa, Jackson said black leaders as a whole have urged Jewish leaders to persuade Israel to end its economic and military trade with South Africa. Israel cannot claim "a high moral standing" as long as it continues with such trade. However, "We have also challenged the U.S., Japan, West Germany and other countries to stop trading with South Africa, and not just Israel. Our stand has been consistent."

Hasn't Israel been more harshly criticized on trade with South Africa than have other countries, which have a far higher volume of trade? Jackson responded that Israel and



(Lester J. Mikhman)

Jews "always have the burden and glory of high moral expectations... because you suffered so much... It is true that there are special expectations (of Israel and the Jews), a special burden and a moral responsibility. That is a great and high commitment."

On another international issue, Jackson is convinced that his 1978 meeting with PLO chief Yasser Arafat "was not a mistake" but had helped promote "the policy of mutual recognition to end war and terrorism."

Didn't the negative symbolism of his embracing Arafat overwhelm whatever good he managed to achieve? Jackson replied that "If you go to Japan, the custom is to take off your shoes. In the Middle East, you embrace people... That is nothing but a social courtesy."

Jackson says he supports a secure Israel in secure and recognized boundaries, with "a permanent home for the Palestinian people..." which would serve as an "ID badge" for the Palestinians.

Continued Israeli domination of the West Bank and Gaza, said Jackson, is "an impediment to peace," stating that Begin had given Sadat assurances that "Israel would not expand (settlements) on the West Bank."

Jackson said Israeli occupation of the territories "reduces the Palestinian political option" and reduces the belief of the Israeli people in a non-military option. The fact of the Israeli occupation of the West Bank and Gaza "must be taken into the (Middle East peace) equation."

Calling on Israel's people "to wrestle" with the issue, Jackson said Israel needs "a leader in the prophetic tradition who will take a bigger step (than Sadat did in recognizing Israel)." The continuing inability of Israel to find a political solution "is turning a flower in the desert into a garrison state."

Jackson showed a certain ambivalence when asked if he felt that Arab leaders such as Arafat and Syria's President Assad will finally agree to accept Israel. "The present leadership will one day pass from the scene... and the children of Israel and children of Palestine will one day live in peace."

JACKSON OFFERED conflicting perspectives on the black-Jewish relationship. On one hand, he said, "The congressional black caucus has a solid record of voting for Israel. Our fundamental relationship is intact." But he observed, "To march for civil rights in the 1960s while resisting economic and educational justice in the '80s is to deviate from the path we began on."

Ultimately, Jackson said, Jews and all white Americans must remember that blacks have had a radically different experience in America. "No one else required the 13th, 14th and 15th Amendments to be freed from legal slavery. Those who came here as immigrants by way of the Statue of Liberty had a very different experience from those who came through Jamestown, Virginia, and Charleston, South Carolina, as chattels."

Asked if he has decided to run for President in 1988, Jackson left little doubt that he plans to do so. "The decision has not yet been made, but we are studying it hard and are encouraged by the signs."

Terrorists' guns pointing south

Defence experts fear that Syria's clamp-down on terrorists in Beirut may set off a new round of attacks against the 'common enemy,' Israel, David Rudge reports.



(David Rubinger) (Reuters Telephoto)

A WIND of military and political change is sweeping across the face of Lebanon. And, as has so often been the case in the past, it appears to be an ill wind that bodes Israel no good.

The dynamic forces currently at play seem destined to result in an upsurge of terrorist activity inside the security zone in South Lebanon, and possibly across the border, in the not-too-distant future.

That is the consensus of opinion among observers in Israel and South Lebanon who have been closely monitoring the shifting pattern of events in the divided land of the Cedars.

They base their assumptions on a combination of interlocking factors, starting with the Syrian's apparent success in the taming of Beirut and the restoration of a semblance of law and order on the blood-spattered streets of the Lebanese capital.

With Beirut quiet, the Lebanon watchers contend, it is highly probable that the various terrorist groups, or resistance movements as they call themselves, will once again turn their attention towards the "common enemy," Israel.

This view is shared by Defence Minister Yitzhak Rabin who on Wednesday visited IDF troops in the security zone to assess the situation and state of preparedness at first hand.

"Whenever Beirut is quiet there is a general tendency towards an upsurge of incidents along the border of the security zone," said an Israeli observer in the north.

"There have already been several signs of this in the past week," the source added.

He was referring to the death inside the zone last Thursday of Seren (captain) Rami Ben-Zvi Hakmon, and Tuesday's mortar attack on IDF troops in which three soldiers were wounded.

Hakmon, aged 25, was killed in a shoot-out with terrorist infiltrators along the northern border of the zone, about six kilometres north-west of Bint Jbail village. Another IDF soldier was slightly wounded in the gun-fight.

A similar incident had occurred in roughly the same area two days previously when IDF and South Lebanese Army forces opened fire on "suspected" terrorists, apparently inflicting casualties and forcing them to flee.

The incidents, along with the Katyusha rocket attack across the border last Thursday night, followed a period of relative quiet in recent months. The Katyusha, which fell in the Galilee without causing casualties, was the first to land inside Israel since the beginning of January.

Sources in South Lebanon had attributed the lull in terrorist activities to the reluctance on the part of South Lebanese residents, the majority of whom are Shi'ites, to become embroiled in the conflict out of fear of retaliatory action by Israel or its SLA allies. They also cited the bad weather and the fact that many militiamen had been tied up in the Beirut battles that preceded the Syrian intervention.

Now, however, there are clear indications of regression towards the situation that prevailed in the latter part of 1986 when there was a wave of assaults against SLA and IDF units inside the buffer zone.

At that time, the attacks were



Defence Minister Yitzhak Rabin believes the respite from terrorist activities is temporary.



Amal militiamen have been forced south, out of Beirut. (Reuters)

spearheaded by the fanatical, Iranian-backed Hizbullah (Party of God) which struck a series of successful blows against the SLA, inflicting heavy casualties and seriously denting the morale of the force, until the IDF and SLA devised new methods to counter the tactics employed by the terrorists.

Within a short period, the situations were reversed and the attackers found themselves on the receiving end. After several more abortive attempts to storm strongholds, during which the terrorists suffered heavy losses, the attacks petered out. The fundamentalist fighters retreated to lick their wounds and devise new ways of continuing the fight against the "Zionist enemy."

Israeli observers, as well as Rabin himself, believe that the respite from Hizbullah's terrorist activities is temporary and a new wave of assaults, in one form or another, is imminent.

SYRIA TOO, one source noted, has never ceased to encourage terrorist activities against Israel. It may also, in the present circumstances, have a vested interest in diverting attention from Beirut where violent turmoil is never far below the surface, despite current appearances.

The Syrians have so far refrained from deploying their troops in the predominantly Shi'ite Moslem sector of south Beirut where the Hizbullah reigns supreme.

Radical gunmen still roam the streets of the suburb while their political and spiritual masters engage in convoluted negotiations with the Syrians over the fate of foreign

Even if the Syrians do not reach an understanding, tacit or otherwise, and fail to settle their differences with the Islamic fundamentalists, there is nothing to stop the Hizbullah from taking unilateral action against Israeli forces.

Dr. Yosef Olmert, head of the Syria/Lebanon desk of Tel Aviv University's Dayan Centre for Middle Eastern Studies, believes this latter course of action is a distinct possibility.

"It is logically feasible that the Iranians, under pressure from Syria to put the Hizbullah under Syrian control, might try to send fighters south to take action against the security zone," said Olmert.

This, he continued, would effectively ease the physical tension with Syria. At the same time the terrorists would be engaging in actions to which the Syrians, given their antipathy towards Israel, would be hard put to object.

"With all the upheavals currently taking place in Lebanon and the international wheeling and dealing, the tried and trusted formula of doing something against the common enemy (Israel) is almost certain to gain more credence," said Olmert.

Nevertheless he thought it unlikely that the Syrians would actively advocate such action, despite the temptation to divert attention away from Beirut.

For the time being, added Olmert, the Syrians appeared to have succeeded in taking control of most of Beirut, though he maintained they were still likely to run into trouble at a later stage.

MEANWHILE one noticeable effect of the new order imposed by the Syrians on Beirut has been the slow but steady exodus from the capital southwards of Moslem fighters, veterans of the battles that led to the Syrian intervention.

Reports in the foreign press have put the numbers of these militiamen as high as 1,000. The reports, quoting Lebanese newspapers not normally noted for their accuracy and reliability, said the fighters had been trained in guerrilla-style, hit-and-run tactics, apparently in preparation for attacks on IDF and SLA forces inside the security zone.

The sources maintained that pro-Syrian elements among the southern-bound militiamen would probably be used in battles against Palestinians loyal to PLO leader Yasser Arafat in the camps near Sidon. Fighting broke out in the region on Tuesday and later intensified.

The sources said an eruption of the camps war, particularly around Sidon where Arafat loyalists are well entrenched, had been anticipated following the Syrian intervention in Beirut.

The Syrians, they noted, had a vested interest in trying to dislodge the PLO and replace them with Palestinians loyal to Syrian President Hafez al-Assad. In this case also, the Syrians were expected to operate through their proxies, and avoid becoming directly involved in the conflict.

The Hizbullah, the most prominent terrorist group, is by no means the only one likely to take up arms against Israel. The Communist-led National Resistance Movement, a compact but well co-ordinated and highly motivated group, has claimed responsibility for a number of raids against SLA and IDF forces in the past.

Recently, Communist leader George Hani has been issuing warlike statements, demanding that Amal lift its control of the south to allow his forces to operate against the "occupying powers" without let or hindrance.

The sources in South Lebanon said it was difficult to estimate how much importance to attach to Hani's comments and the threat posed by his movement. Nevertheless it did seem to indicate another potential source of trouble for the security forces in the buffer zone.

Amal chief, Nabih Berri, has also jumped in on the "anti-Israel" act, authorizing the launching of attacks against IDF and SLA targets. His announcement was made earlier this week in Beirut, where Berri is now safely ensconced after sitting out most of the fighting in the relative security of Damascus.

Berri's attempt to involve Amal in the fight against IDF and SLA forces

is regarded as a face-saving formula to cover up Amal's failure to crush the PLO in the Beirut region, and the current disunity within the movement's ranks. It is also seen as a response to the radicals and Shi'ite extremists who have accused Amal in the south of collaborating with Israel, by preventing them on occasions from carrying out terrorist operations inside the security zone.

Despite the disarray in Amal, following last month's abortive coup by former president of the movement's national executive committee Hassan Hashim and Berri's attempts to re-assert his control over the south through changes in the regional leadership, the threat of attacks is being taken seriously here.

AS FOR the organizational structure of the movement in the south, it is still not clear who is in charge. The former leader, Daoud Daoud, who was sacked by the Amal national politburo last week, still commands widespread support at the grassroots level, unlike his replacement Abu Majid Saleh, who lacks Daoud's stature and reputation.

Daoud, although considered a moderate in Lebanese terms, made his name as a resistance leader during the Lebanon War when he stayed put in Tyre while the rest of the Amal regional hierarchy fled northwards.

Israeli observers believe Daoud may yet reach an agreement with Berri which will enable him to resume his post as head of the 400,000 Shi'ites in the south, under the title of regional Amal committee chairman.

In that case the situation in the south, from Israel's point of view, is unlikely to change much. There will continue to be occasional forays by Amal forces to counter the criticisms of the extremists, but not sufficiently damaging to warrant massive retaliatory raids by Israel.

The main threat continues to come from the Hizbullah and, to a lesser extent, from the Communist-led National Resistance movement and other radical extremists, including a new terrorist group calling itself the Civilian Resistance which recently surfaced in South Lebanon.

But Yossi Olmert, who two years ago predicted the decline of Amal as a cohesive unit, said Israel should not be overly concerned about the threat from the various terrorist groups.

"I don't think that what is happening now in Lebanon will develop into something big as far as Israel is concerned. The situation is certainly manageable," he said.

"We have to keep a close watch and see how things develop while keeping them (the Syrians and the terrorist organizations) in the dark as to what our reaction might be," he added.

Nevertheless, like other Israeli observers, he rated the chances of an upsurge in terrorist activity in the near future as quite high.

Sources in South Lebanon concurred with this short-term assessment, adding that the various radical terrorist groups were likely to take advantage of Amal's present disarray to launch a series of offensives, quite apart from any action Amal itself might take. They noted that there had also been calls lately by leaders of the terror organizations for the various groups to co-ordinate their activities.

Sheikh Mohammed Hussein Fadlallah, the acknowledged spiritual leader of the Hizbullah in Lebanon, recently proposed the establishment of a joint operational centre for attacks against Israeli and SLA forces. He charged that piecemeal operations only succeeded in serving Israel's interests.

However, given the factionalism and ethnic feuding characterizing Lebanon today, Fadlallah's call is unlikely to be acted upon.

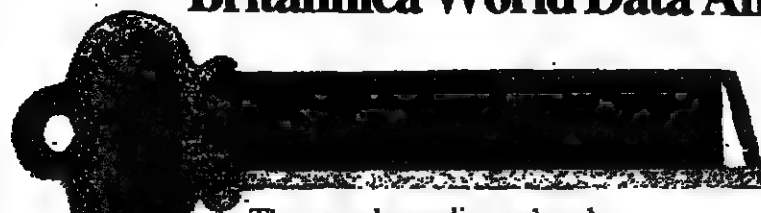
The only grain of comfort Israel can draw from all these threats is the position of the PLO which, isolated and wrapped up in its own battle for survival on Lebanon's blood-soaked soil, would appear to have neither the time or forces to mount operations against the security zone or across the border.

In Lebanon, however, nothing can be taken for granted. The watchword for the day, and every day, is "be alert and on guard for any eventuality."

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The Justice Ministry, writes Menachem Shalev, is demoralized. But political realities seem to rule out any change in the ministry's leadership.

THE JUSTICE Ministry, once considered a bastion of competent professionalism, is in a state of advanced decomposition. Many of its high-ranking attorneys are demoralized, some have left and others are in the process of leaving. The ministry, guardian of the rule of law in government and its prosecuting arm, is like a rudderless and captain-less ship, sailing off to nowhere.

But when the time comes, the politicians won't be able to trot out the popular line "we didn't know." The situation in the ministry is a subject frequently raised in party, Knesset and government forums. The bottom line, however, remains inaction and the primary reason is National Unity government-induced political paralysis.

Avraham Sharir supposedly spends half his time at the Justice Ministry. Actually, between his other hat as tourism minister, his activities in that amazing, anticorruption political entity known as the Liberal Party and his frequent and lengthy trips abroad, Sharir does not have much time left for justice.

Although he is a lawyer by profession, Sharir's actual legal experience is scanty. He and the country's chief legal officer, Attorney-General Yosef Harish, have developed an intense mutual enmity to a degree that it can safely be said that relations between them are virtually non-existent.

Sharir has also feuded, in private and in public, with Supreme Court President Meir Shamgar. When Sharir unilaterally decided to freeze the activities of the judges' appointments committee, because it had failed to adopt his proposals for reforms, the justice minister received a rap on the knuckles from Shamgar, who told him, in a letter made public, that he was overstepping the bounds of his authority.

Neither has Sharir hidden his displeasure at Shamgar's attempts to create an independent judges council, which clearly aims to break the Justice Ministry's administrative and financial hold over the country's obstructed and ramshackle court system.

Sharir does not hold the ministry's professional corps in high esteem, regarding it as rigid and conservative in the way it reacts to his proposals, and more than slightly politically motivated.

Sharir believes that his professional advisers are to blame for the ongoing reprimand which he received from Shamgar and the other judges of the High Court of Justice who overruled his decision not to extradite William Nakash to France.

Appearing on Israel Television's *Moked* last week, Sharir was asked why the High Court had found that his examination of the dangers awaiting Nakash in a French jail had been "unfounded" and "based on assumptions" and "speculation."

"Who do you think carries out this examination, the minister?" retorted Sharir and answered, "It's a professional team which carries it out."

Before making his decision on Nakash, Sharir failed to take the elementary step required of any minister — all the more so the justice minister — to ask ministry attorneys whether his decision could withstand a petition to the High Court. When the petition was submitted, only hours after Sharir's December 4 decision, Sharir suddenly realized that it could not.

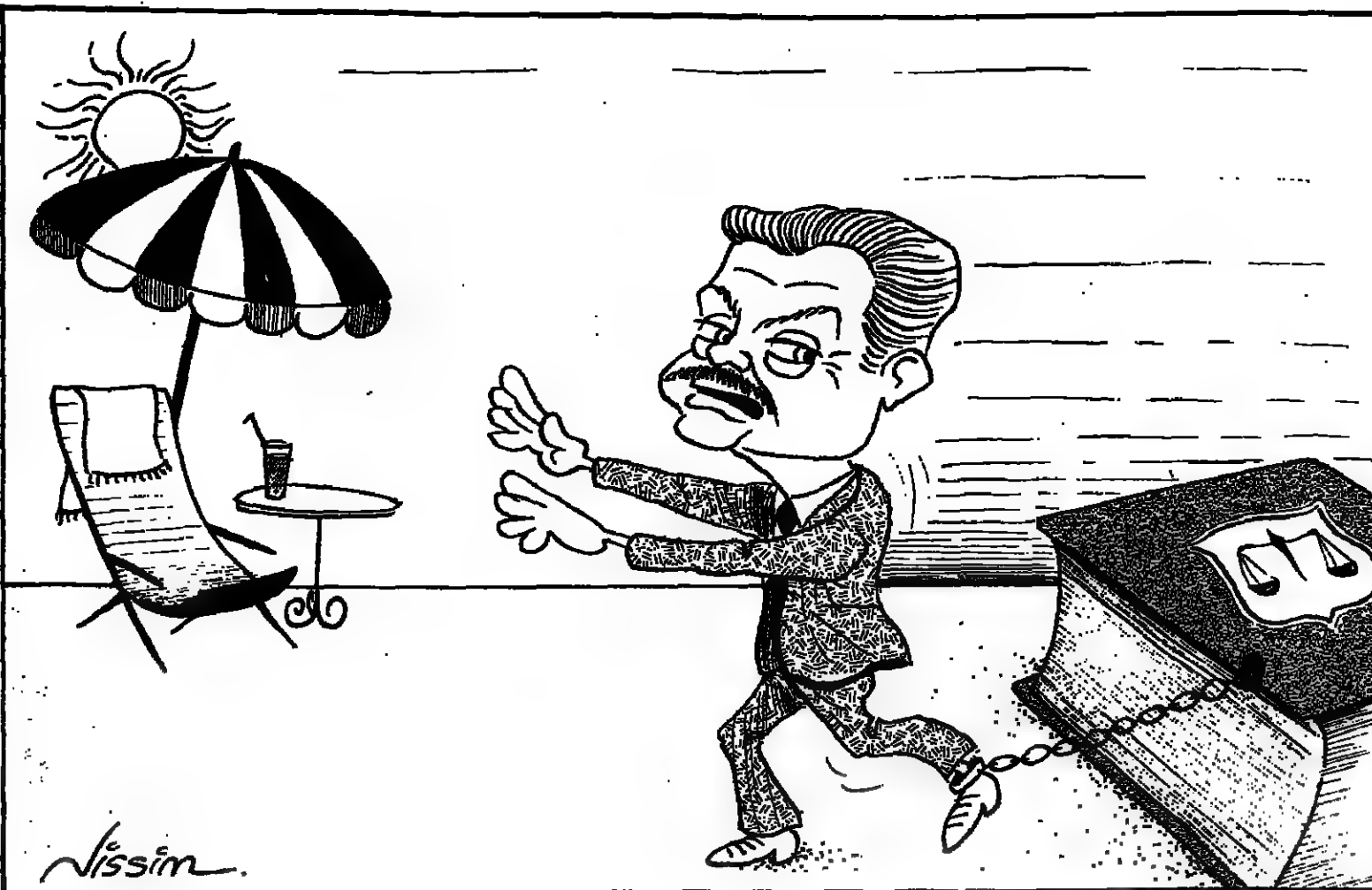
By then, Sharir was already convinced that the top Justice Ministry attorneys were plotting to undermine his authority, both for political reasons and because he had not heeded their advice, which was unanimously in favour of extradition.

IN THE RECENT wave of parliamentary and media criticism of Harish, the Nakash case is cited as one of the rare and uncharacteristic cases in which the attorney-general came down on the right side of an issue. Actually, it was Harish's handling of the Nakash case which drove yet another nail in the coffin of his already unstable relations with senior Justice Ministry personnel.

More than a few eyebrows were raised when Harish described Nakash to the ministerial legislation committee as "representing all the worthless trash of the Jewish people." Even those who agreed with Harish in private feel that such words should not be uttered publicly by the attorney-general.

Harish had supported Nakash's extradition from the start. After consulting with his advisers and with state attorney experts on High Court matters, Harish told Sharir that his decision not to extradite Nakash was indefensible. The attorneys were convinced that the evidence cited by Sharir to prove that Nakash's life was in danger was flimsy and would be thrown out of the High Court, as eventually happened four months later.

But Harish did not have the courage of his — and his advisers' — convictions. Although he refused to represent personally Sharir before the High Court, he balked at deciding that the minister would not be represented at all.



A political injustice

He said that Sharir's position was "worthy" of being represented — by someone else, that is. However, at the same time he was telling his aides privately that Sharir's position was totally indefensible. Harish's hesitation plunged the ministry into several days of frantic attempts to find a way to represent Sharir. The ministry's top officials refused to do so. At one point, Harish tried to enlist the services of Renato Yarak, a private Jerusalem lawyer who had previously directed the state attorney's High Court division. The attempt was vetoed by state attorney lawyers who feared the creation of a dangerous precedent.

The haggling over how to represent Sharir reached a low point when one middle-level attorney, who himself was not too enamored of Sharir's position, told Harish that he would be willing to represent Sharir on condition that he be appointed to the post formerly held by Yarak.

The ministry's High Court division has gone without a director since last summer. The tasks of the director have been carried out by Deputy State Attorney Dorit Beinisch.

Over the years, the High Court division has served as a sort of extension of the High Court of Justice itself. The division is charged with representing the government when it

has to respond to High Court petitions. It has frequently refused to do so, citing the illegality or arbitrariness or unreasonableness of the authority's actions. Thus, it has often brought about a reversal of the various ministries' actions before the matter was even brought to court.

The High Court division attorneys are not private lawyers. They do not defend any and all clients for a fat fee, no matter how unwarranted the deed. And they have an unwritten rule which stipulates that no High Court attorney is compelled to appear if he declares that the case is contrary to the dictates of his conscience.

With one fell swoop, Harish undercut both these principles. Finally, a middle-level attorney, Nili Arad, agreed to represent Sharir.

Arad and other senior ministry officials tried to do the best they could with the meagre material provided by Sharir. But she could not avoid admitting to the sceptical and critical High Court judges that no Sharir had done nothing to substantiate the claim made by Nakash's attorneys and supporters, that the fugitive from French justice might be murdered in a French jail.

HARISH HAS BEEN criticized for many of his positions and decisions

on other matters: his acceptance of the presidential pardons for executives implicated in the Shin Bet affair; his defeated proposal to then interior minister Yitzhak Peretz to add the term "convert" to Reform convert Shoshana Miller's nationality designation; his approval — and subsequent retraction — of Yossi Bein's appointment to the hitherto non-existent post of "vice foreign minister"; his hesitation to prosecute attorneys Ram Caspi and Yigal Arnon in the MK Shlomo Amar "night meeting" affair, and other matters.

But Harish's main handicap is that he does not command the respect and confidence of either his superiors or his subordinates. The subordinates who themselves are not trusted by Harish, increasingly keep to themselves and do not involve themselves in cardinal matters on the attorney-general's desk. And the superiors, government ministers, are making growing use of private lawyers and confidants for counsel.

Harish, aware of the growing tendency to solicit outside advice, has said that he does not mind, for "in the end there is only one attorney-general." He is correct as far as court and prosecution matters go, as well as issues technically and legally within the attorney-general's

discretion. But Harish overlooks two crucial factors: first, there are now many government decisions which, contrary to previous practice, never reach his desk. More important, ministers are now seeking the advice of those who are paid to get their clients off the legal hook, and are not necessarily inspired by the wider principle of the rule of law in government actions.

In the meantime, Deputy Attorney-General Yoram Bar-Sela will leave soon and enter private practice; Deputy Attorney-General Yehudit Karp is on three months' leave and her future plans are uncertain; Director-General Meir Gabai has been appointed chairman of the Securities Authority and, because a replacement for him has yet to be found, will fill both functions for the next several months; the post of director of the High Court division remains vacant; Ayala Procaccia, in charge of civil matters in the attorney-general's office — and the No. 1 ministry expert on the Bejski Commission report — leaves this week to become a magistrate's court judge; Meir Dennis Gouldman is leaving his post as director of international affairs and, along with two other departing attorneys, will enter private practice.

THEN THERE IS Deputy State Attorney Dorit Beinisch, a 20-year veteran of the Justice Ministry who is respected across the political spectrum. Beinisch has renewed her request to be appointed a district court judge. She has twice relented in the past and set aside her request, but it is apparent that the changes in the ministry, and in particular her frustrations over the Nakash case, are driving her away. Beinisch is considered by many to be the last surviving vestige of the Justice Ministry's previously esteemed stature.

Cabinet ministers, fully aware of the urgent need for new leadership at the ministry, lift their hands in exasperation when asked the reasons for their inaction. Political realities, they say.

Prime Minister Shamir wants the post to go to Yitzhak Moda'i. Sharir's fellow Liberal and arch-enemy. This, despite the fact that Moda'i's three months as justice minister, between April and July of last year, were, in the words of one senior attorney, "even worse than the Sharir regime — if you can believe that."

Given the current tensions between Labour and Likud, Labour won't even hear of Moda'i's reinstatement. Of course, they forget that it was then prime minister Peres who committed the original sin by agreeing to turn the Justice Ministry into a wasteland of exile for the frustrated Moda'i, banished in April 1986 from the Treasury for speaking too harshly of Peres.

It was Peres, too, who agreed to Harish's appointment, at the height of the Shin Bet crisis, without bothering to check the credentials of the prospective candidate. So the Likud thought that Transport Minister Haim Corfu, himself an attorney, might agree to save the day. Corfu, however, refuses to leave his comfortable post.

Labour has at least two willing and able candidates for the job. Energy Minister Moshe Shahal and Shmuel Communications Minister Amnon Rubinstein. But the Likud, which does not hold the Justice Ministry in sufficient regard to install a capable minister at its head, wouldn't dream of bestowing the potentially powerful post on its rivals.

Many cabinet ministers do not trust the Justice Ministry attorneys either. One minister told this reporter that it was hard to be certain whether or not the complaints against the Likud-appointed Harish were politically motivated. Many see the attorneys' relentless pursuit of the Jewish underground, their adamant refusal to turn a blind eye to the Shin Bet affair and even their disdain of the Nakash High Court case as proof of so-called "leftist" tendencies.

The consequences are now apparent in the demoralized and incapacitated corridors of the Justice Ministry. They will manifest themselves more and more in the future as this upright and widely respected arm of the law gradually disintegrates.

Post-Purim analysis

Kishon re-visited

A NUMBER of years ago, it will be remembered, the Jews killed 1,000 anti-Semites and hanged Haman and his accursed brood on a tree. Ever since, the pogrom against the Gentiles is commemorated with great rejoicing.

According to Chronicles, the party which started the tradition, held in the royal square of Shushan, had been particularly successful: the subject had been "Pioneering" and Esther showed up in black leotards and net stockings, while Mordechai dressed up as a traffic cop. Many of the local Gentiles converted to Judaism because they were afraid of the Jews, but there was no real fun and in the end they all slunk home quietly.

More years passed in the Diaspora, some marked by counter-persecution, but the commandment of Purim was scrupulously observed.

Our fathers dressed up as Haman and our mothers as Queen Vashti in black leotards and they drank wine and sang and danced until the wee hours, but because of circumstances they had no real fun, as a matter of fact all were quite dejected and just so.

The turning point arrived in 1948 with the birth of the State. The Yishuv celebrated its first really free Purim, the men dressed up as King Farouk and the women slipped into black leotards. What's more, Judy Glick, the wife of Glick the engineer, hopped on a table in her net stockings and did a few quite uninhibited dances. At long last, there was fun all over the State — not quite real, but still, and only after midnight did the mood become sombre and the streets emptied and people crawled home feeling guilt-ridden and utterly dejected.

The next six years saw a change for the better. Costumes improved: we dressed in armour and royal pyjamas, while our wives slipped into black leotards and net stockings. Personally, I was invited to several parties, but always stuck near that nice Glick the engineer, who was in great demand at all parties in town. Generally, we sang and danced in intimate darkness, but the fun was no fun, really, we all felt that this was not quite it. Some burst into tears while others fell into deep fits of melancholy.

In 1960, I remember, a lawyer interrupted Mrs. Glick's table-top frolic with bitter shouting: "Enough!" he roared. "This is no real fun!"

We proceeded at once to the kitchen and there discussed the sad phenomenon in depth. Really, why don't our parties ever come off? We

are a fun-loving people and have the benefit of a government-sponsored carnival atmosphere, and yet out of 13 Purim parties this writer has been to during the last few years, only one was really successful, a real smasher. Perhaps the reason for the party's success was that Judy Glick had hopped on a table and did an uninhibited dance while we all clapped our hands rhythmically and with youthful verve, but we did not have real fun; quite the contrary, by 1:30 we were completely desperate, our host disappeared into the bathroom and hanged himself from the shower, but the rope was too long and he survived. In any case, this was one of the worst parties I have ever been to.

"WHY IS IT?" we asked ourselves. "Why can't we have real fun?"

"Because we don't yet have a Purim tradition," a kindergarten teacher in leotards and net stockings opined. "We do not yet have fixed patterns which keep recurring year after year. That's why the people don't rejoice and there is no real fun."

Some claimed that we are by birth a sad people. We go to bed on the eve of Purim, tired and edgy, and on the morning of the holiday roll off our couches party-faced and bloated, waiting passively for the official fun to start. In the end we take a couple of aspirins. Nor have we yet learned how to pour liquor down our gullets: anything stronger than beer simply knocks us out.

True, our kids do enjoy Purim, but where does it say that Purim is a children's holiday? Glick the engineer, for instance, confessed to me in a moment of weakness that just before Purim he is always gripped by extreme despondency, quite frequently he bursts into hysterical sobs when he is left alone, and his wife has to be put under permanent medical supervision before the feast.

"We are a contrary people" an interior decorator, disguised as an architect, affirmed. "If we are told to rejoice, we are sad. If they tell us to be sad, we are happy. We've got a terrible nature."

This made sense to many among us. A Magistrate's court judge confessed that during the Awful Day preceding Yom Kippur, he always feels on top of the world. Someone claims that even in Kfar Habad, the hassidim stop having fun for 48 hours during Purim, to say nothing of the fleshpots of Tel Aviv. Not that you don't encounter fun here and there. There is fun, but it is not genuine. Or perhaps it is genuine, but it certainly is not fun.

This year, Purim was just like any other year only much more so. I dressed up as a citizen and the little one was a Babylonian temple dancer (black leotards). We danced the shake and the hora. Judy Glick jumped on a table but in the middle burst into tears: "I can't go on!" Our spirits dropped to below zero. I caressed the little one's net stockings.

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Demjanjuk trial fallout

Efforts to block anti-Ukrainian backlash

Ernie Meyer

"WE WANT to prevent the Demjanjuk trial from being used to fan the flame of anti-Ukrainianism, a sort of anti-Semitism in reverse." This sentiment was voiced this week by a group of Canadian-Ukrainian lawyers and academics here to observe the trial and report back to their communities at home.

The leader of the group, Dr. Yuri Boshyk of Toronto, a historian, had been here before the opening of the trial a month ago. Returning now he said the perception among the mass of Canadians of Ukrainian origin was that their nation as a whole was being maligned. This was because reports, in the general English-language press, always stressed the Ukrainian aspect of the trial.

For this reason he found it impor-

tant to bring the group for a week's visit, so that members could observe the trial briefly at first hand and judge the atmosphere in the country.

The other academic in the group is Professor Danylo Husar Struk, who teaches in the Slavic Department of the University of Toronto and is the director of the Encyclopedia of Ukraine project. The other Ukrainian here are Bohdan (Bob) Onyschuk QC (Queen's Counsel), a senior member of a large Toronto law firm, and Andrew Ogaranko QC, a Winnipeg lawyer.

The only Jewish member of the group is Alexander Epstein, a Toronto lawyer, who has long worked together with leaders of the Ukrainian community in Canada.

The background to the group's mission is the tension which grew between Canada's Ukrainian and Jewish communities last year, as the

government's Deschenes Commission continued its inquiry into war criminals living in Canada.

In September, 10 Winnipeg lawyers, concerned about deteriorating relations between the Jewish and Ukrainian communities in the province of Manitoba, formed a group to try and bridge this gap. Four of the members were Ukrainian, four were Jewish and two belonged to neither group.

"We don't want to see the animosity spread to the younger generation," a spokesman said. "We want to defuse growing racism, intolerance and finger-pointing."

Hot-heads belonging to either group would make irresponsible statements, one of the visitors said. Thus an official of one Nazi-hunting organization would speak of "thousands" of Ukrainian war criminals, instead of "some," he said.

THERE ARE about 750,000 citizens of Ukrainian origin among Canada's population of 25 million. Most of them immigrated in the period between 1892 and 1923, and again after World War II. Coming from a largely rural background, they helped in the developing of the country's western provinces of Manitoba, Saskatchewan and Alberta.

Boshyk told *The Jerusalem Post* that the Ukrainians, like Jewish immigrants and those from Asian countries, laid great stress on giving their children a higher education. Thus their descendants today include Canada's Justice Minister Ray Hnatyshyn, provincial cabinet ministers, judges, lawyers and academics. In the western provinces there are government-supported schools in which half the instruction is given in Ukrainian. "The earliest contacts 'out west' often were with Jewish

merchants because of existing cultural bonds," Boshyk said.

The Ukrainian diaspora includes about one million living in the U.S., with other large groups in Argentina and Brazil. Ukraine is the second-largest of the 15 national republics making up the Soviet Union. With a population today of about 50 million, Ukraine is about the size of France and more populous than Poland. Of the approximately three million Jews in Russia today, 750,000 live in the Ukraine.

Because of the continuing strong Ukrainian nationalism, the large majority of political prisoners in Soviet camps are Ukrainians. "Jewish activists now in Israel, such as Nathan Shtrikman and Yosef Mendelovich, said they had many friends among their Ukrainian fellow-sufferers," Boshyk said.

Canadian Ukrainians are acutely aware of what has been termed the

"forgotten holocaust." This is the man-made famine of 1932-1933, when Stalin dumped grain requisitioned from the Ukraine on western markets to earn foreign currency for his industrialization programme. Between seven and ten million people died of starvation during this period, as Stalin enforced farm collectivization in the Ukraine and tried to crush the region's national spirit.

One of the visitors, Bohdan Onyschuk, was instrumental in making a 55-minute documentary of that national calamity, which makes graphic the extent to which the memory of that disaster is still alive in the consciousness of Ukrainians. Onyschuk handed a copy of the film, *Harvest of Despair*, to the Jerusalem Cinematheque.

Under the German occupation in World War II the Ukraine again lost about seven million people.

Boshyk said his mother lived

through the 1932-33 famine and has memories of collecting grass and weeds for food and searching for rotting potatoes. She even recalls reports of cannibalism among the desperate farm population. She lost her mother and a younger sister in that man-made disaster.

In recent years Boshyk has encouraged his mother to write her memoirs in Ukrainian. "She cries every time she talks about the period, just as Jewish Holocaust survivors do," he said.

AGAINST THIS background of Ukrainian national tragedy, the visitors discussed the Demjanjuk trial. Boshyk said Ukrainians in the U.S. and Canada view the court case as a show trial, picking up the phrase used by Yoram Sheftel, the Israeli member of the defence team, at his first appearance in court.

Prof. Struk scored imprecise media reports, which say that "all guards were Ukrainians," or refer to Ukrainian Nazis. "There were no Ukrainian Nazis, perhaps there were collaborators. The mislabelling rankles."

He added that the trial should not be that of a national group, but only that of an individual.

I asked whether Struk thought the conditions for a fair trial were present. "I find it hard to answer. I can't make up my mind after only two days in court. I hear people voice different opinions; there are disturbing elements," he said.

Struk was especially perturbed by the busing of schoolchildren and soldiers to the court room and by the stage atmosphere. "The image seems inappropriate for the gravity of the case and the dignity of the court," Boshyk added.

The visitors were especially disturbed by the visit of Prime Minister Yitzhak Shamir at a trial session and his later comment before high school students, that he admired the courage of the witnesses.

"We expected greater sensitivity on the part of the Israelis to our national sensibilities," Boshyk said.

There was criticism of the fact that the State of Israel does not cover the defence costs. "If the trial goes on for six to nine months, how can a private person defend himself?" one of the visitors said.

In this connection it was pointed out to the visitors that O'Connor had earlier accepted the services of Israeli lawyer Gershon Orion, who offered to serve free of charge. But for reasons not explained to the public O'Connor then changed his mind. Yoram Sheftel is receiving an undisclosed sum for his work.

REFERRING BACK to their visit Prof. Struk said "We are here to make sure that our two communities don't fall into the trap set up by the Soviets, to pit one against the other. We Ukrainians support Israel because we regard it as a bastion against Soviet imperialism."

...despite history of mutual distrust

Shimon Redlich

TWO SEPARATE and seemingly insignificant incidents during the first week of Demjanjuk's trial illustrated the emotions and complexities affecting Ukrainian-Jewish relations. Yehuda Fuchs, a survivor whose family and friends perished in Treblinka, shouted at Demjanjuk's son: "Ukrainians, you have murdered my whole family." Dr. Yitzhak Arad, historian and director of Yad Vashem, told the press that "even in the camps there were 'other' Ukrainians."

Although until now the Ukrainian issue has not been very conspicuous in the trial, the matter of Ukrainian-Jewish relations occupies a significant position in the public mind. In spite of the fact that, legally speaking, all the accusations are directed at an individual who happened to be born Ukrainian, it is only natural that the past and more recent history of the two peoples should crop up in our consciousness.

These wider historical and psychological implications are particularly felt in North America, where millions of Jews and Ukrainians live side by side.

One should also bear in mind that the second largest concentration of Jews in the USSR is the one in the Ukrainian republic. Individual Jews as well as Jewish organizations in the U.S. and Canada have accused the Ukrainians of traditional anti-Semitism and collaboration with the Nazis, whereas Ukrainians and their spokesmen have accused the Jews and Israel of being in cahoots with the KGB. The identification of John Demjanjuk as Ivan of Treblinka is

directly linked in Ukrainian eyes with this alleged Soviet-Jewish-Israeli conspiracy.

IN ORDER to prevent further accusations and a growing polarization of attitudes between Jews and Ukrainians, one should at least try to sort out the past relationships and, even more, the past and present images and stereotypes. Emotional involvement makes such a task extremely difficult. There is very little sympathy between the two sides. Even basic lines of communication are often lacking. Most Ukrainians are incapable of honesty and openly confronting their own history and admitting its anti-Jewish traditions, while most Jews consider every Ukrainian a born anti-Semite.

The long history of the relationship between the two peoples created a basis of mutual suspicion, and the traumatic events of our century produced an almost impenetrable wall. Nationwide tragedies, which affected both the Jews and the Ukrainians, resulted in traumatization and in the emergence (for different reasons) of a victim mentality on both sides. Paradoxical as it may sound, Jews were symbolically compensated for their unprecedented tragedy by the emergence of the State of Israel. Whereas the Ukrainians, a nation of some 50 million, are far from full-fledged independence to this day.

FOR CENTURIES, Ukrainians and Jews lived side by side in Eastern Europe and were usually part of a "triangle," whose base was the ruling element, either Poles or Russians, and whose sides were formed by Ukrainians and Jews. Only the proper understanding of this triangular relationship gives a true historical picture.

Thus, Jews performed the role of economic middlemen between the Polish nobility and the Ukrainian peasantry. This, of course, caused hostile attitudes towards Jews. Ukrainians also tended to believe that the Jew had control over their churches, although historically this is quite incorrect.

The image of the Jew in Ukrainian folk-tradition assumed the form of somebody who controls both property and spirit. Moreover, anti-Semitism became in time a significant component within evolving Ukrainian nationalism.

The Chmielnicki pogroms of the 17th century, a symbol and prototype of Jewish martyrdom, as well as the Haidnack atrocities of the 18th century had a traumatic effect on the collective memory of East European Jewry. Chmielnicki and the Cossacks, who represent to the Jews the very essence of cruelty, were and are perceived by the Ukrainians as the highest symbols of national heroism.

This diametrically opposed perception of historical personalities and events makes mutual understanding and compassion very difficult. The pogroms of the 1880s and the early 20th century, as well as anti-Jewish outbreaks in the wake of the Bolshevik revolution, continued to reinforce the image of the Ukrainian as murderer and pogromchik. Attempts at Ukrainian-Jewish coexistence and cooperation within the framework of an independent Ukrainian state were short-lived.

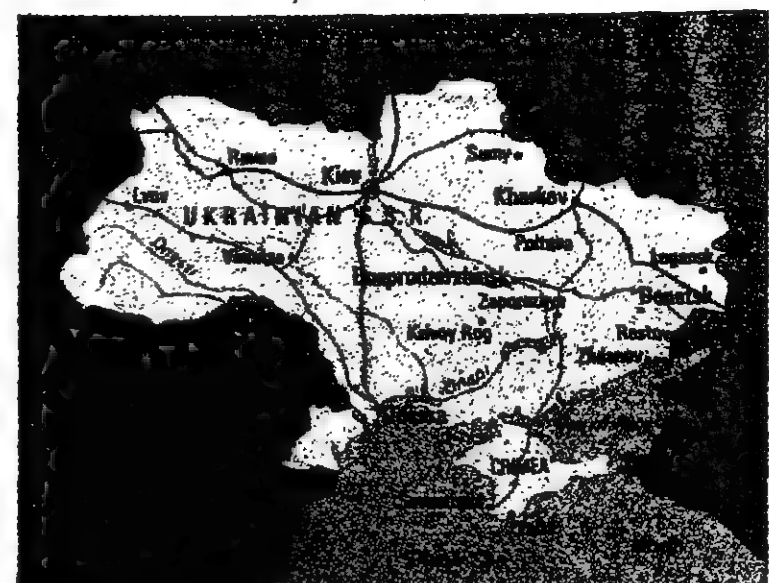
EASTERN Europe continued to form the major arena of Ukrainian-Jewish relations in the years between the two world wars, although considerable numbers of Jews and

Ukrainians emigrated to the New World. Those who remained in Europe found themselves again close to each other in independent Poland and in Soviet Russia. There seemed to be a chance for improved relations on both sides of the border; but in spite of some efforts towards parliamentary cooperation in Poland during the 1930s, Ukrainians basically tended to view their Jewish neighbours as natural allies of the ruling Poles.

The aggravation of the nationality problem in Poland in the 1930s, and especially the growing oppression of the Ukrainian minority by the Poles, had a negative effect. This presented new opportunities for Fascist and Nazi influence in Ukrainian nationalist circles. Traditional anti-Semitism began to absorb the racist theories of Nazism.

As for the USSR, the new regime tried to eradicate anti-Semitism in the 1920s and some parallel national interests of both Jews and Ukrainians emerged in Soviet Ukraine. However, the onset of Stalinism in the 1930s caused a renewed inflammation of dormant antagonisms. The growing role of the security apparatus, the Stalinist terror and, above all, the horrors of collectivization — became linked in the Ukrainian mind with the image of Judeo-Bolshevism.

This image grew even worse during the short but significant period of 1939-41, when Eastern Poland was annexed by the Soviets. The Jew was again perceived by the local Ukrainian population as a collaborator with the hated Bolshevik regime. All this took place on the eve of the Nazi occupation of Eastern Poland, densely populated by both Jews and Ukrainians.



ALTHOUGH the exact dimensions of Ukrainian collaboration with the Nazi regime are yet to be established and historical research on all sides is still marred by ideological and emotional attitudes, it is quite clear that the Ukrainians expected to fulfill their aspirations for national independence with German assistance.

Ukrainian national fervour was accompanied, at least in the initial period of Nazi occupation, by violent anti-Jewish riots in Lvov and other places. Many Ukrainians turned into passive, and some into active, accomplices of the Nazis in their persecution and annihilation of the Jews. At the same time, there were also Ukrainians who assisted and rescued Jews. The most well-known example is that of Metropolis, Andrei Sheptytsky, who, as a collaborator with the hated Bolshevik regime, all this took place on the eve of the Nazi occupation of Eastern Poland, densely populated by both Jews and Ukrainians.

standing. There are, however, certain basic prerequisites for the latter to happen.

The Ukrainians must admit, especially to themselves, that such people as Ivan the Terrible of Treblinka did actually exist; that there was substantial Ukrainian collaboration with the Nazis; that there is no parallel between what Jews did to the Ukrainians and what the Ukrainians did to the Jews; and that there are no simplistic equations such as a "Ukrainian Holocaust" vs. a "Jewish Holocaust."

The Jews, on the other hand, must not see in every Ukrainian a Jew-hater and must admit to themselves that Jews, as individuals, did assist the Soviet regime, in some of its atrocities against the Ukrainian population. They must also learn to differentiate between those Ukrainians who assisted the Nazis, those who left Eastern Europe before the war and, especially, the young generation of Ukrainians today.

More than meets the eye

Tora Today/Pinhas H. Peli

The Tora reading for this week is Ki Tissa (Exodus 30:11-34:35)

MOSES HAD already been told what had happened in the Israelite camp during his absence. While still in heaven God alarmed him with the bad news: "Hurry down, for your people, whom you brought out from the land of Egypt, have become corrupted... They have made themselves a molten calf and have worshipped it and sacrificed to it, saying, this is your God, O Israel, who brought you out of the land of Egypt" (Exodus 32:7-8). When God

then threatened to destroy the people, Moses interceded for them wholeheartedly, even to the point of offering his own life to save them. At long last he secured God's pardon and the punishment is pronounced (ibid., 9-14). This, however, is not yet the end of the story.

"Thereupon Moses turned and went down from the mountain with the two tablets of the testimony in his hands... The tablets were God's work, and the writing was God's writing engraved upon the tablets... As soon as Moses came closer to the camp and saw the calf and the

dancing, he became enraged, and he threw the tablets out of his hands, shattering them to pieces at the foot of the mountain" (ibid., 15-19).

What new thing happened that made Moses flare up so? Had not God presented him with the worst description possible of the base act of the people in making the calf and worshipping it as the "god who brought us out of Egypt"? Moreover, when Moses first heard the shocking news, he did not burst out in anger, but instead pleaded with God to pardon them, saying, "Why should your anger burn against your people?" (verse 11). And now, he himself becomes enraged to such an extent that he hurls the tablets from him and shatters them.

It would seem to many Tora commentators, therefore, that the story holds more than meets the eye. It is true that Moses was more enraged now upon seeing with his own eyes the ugly scene of the Israelites worshipping the golden calf, than he had been when only hearing about it. What shocked him was their dancing and rejoicing around the calf. As long as he imagined they had been misled into making the calf out of genuine concern for Moses' unexpected disappearance, and in search of a leader, he was prepared to

understand them. Now, as he came close to the camp, he was traumatized to see their uncontrolled merrymaking, their indulgence in the obscenities connected with the worship of their newly-made idol and enjoying it, and he was dismayed.

We are told that, as Moses came closer to the camp, he saw them; we are not told if they also saw him coming closer, or how they reacted when they saw him. It seems that they did not see him at all. Their excuse for making the calf was that they were worried about Moses' disappearance. Now, there was not even one of them who was looking out to see whether Moses was coming. They were so involved in their dancing and rejoicing around their new molten "leader," that they did not even notice Moses approaching, holding the two stone tablets God had given him.

How disappointed and how angry this made him! Yet he threw down the tablets and smashed them at that moment not, according to most commentators, in uncontrolled anger, but as a premeditated act, approved by God Himself.

LATER ON (ibid., 34:1) God summons Moses to carve two new tablets of stone on which to inscribe the same words that were on the first tablets "which you shattered": the Hebrew expression is *asher shibberta* and is interpreted by the talmudic rabbis to be read as if it said *yasher*

(*kohacha she*)-*shibberta*, meaning that "you should be applauded for shattering" (TB Shabbat 87a). The rabbis credit Moses himself with the idea of throwing down the tablets and breaking them, but this idea is retroactively endorsed by God Himself. What was the idea?

There are a number of answers to this puzzling question.

According to Professor Nahum Sarna (in his "Exploring Exodus", p. 219), the smashing of the tablets possessed legal symbolism signifying Israel's abrogation of the Covenant. In Akkadian legal terminology, the term "to break the tablets" (*tappam hepu*) means to invalidate or repudiate a document or agreement. But why did Moses wish to invalidate the Covenant at this particular moment, after he had pleaded earlier with God not to do so? A rabbinic midrash (*Shemot Rabba* 36) suggests that Moses did it for the sake of Israel. They used the parable of the king's messenger who was on his way to deliver a *ketuba* (a marriage contract) to a certain lady, when he heard about her committing an adulterous act. He decided not to hand her the *ketuba*, which was written prior to the act, so that when she is tried, she should be considered unmarried rather than married, and thus get away with a much lighter sentence. Likewise, it was for the benefit of Israel, that the tablets on which was inscribed the prohibition against idol worship should not reach them, now that they had made the golden calf. Moses dared to smash the tablets so that Israel should be treated as innocent of the law, rather than as a blatant law-breaker.

Another explanation for Moses' smashing the tablets at that moment is offered by Malbim (1809-1879). When Moses saw the wild dances around the golden calf, he realized suddenly that he was dealing now with a different Israel from the one he knew previously. Although he had heard from God about their sidetracking in making the idol, he still hoped until that moment that the word of God inscribed on the tablets was going to correct them and lead them to the right way. Now that he saw how deep they had sunk into their new way of life, he realized that

in such an environment there is no room for Tora. One cannot bring Tora to the people at any time and under any circumstances. There are times when it is better not to try to impose the Tora on the people. This was such a time, and Moses decided that it would be better for both the Tora and the people to smash the tablets.

A midrash (*Pirkey d'Rabbi Eliezer*, ch. 45) suggests that Moses did not really throw down the tablets, but let them fall out of his hands after they became terribly heavy and he could hold them no more. Their sudden heaviness at that moment is attributed to the fact that, when nearing the scene of the people dancing around the gold calf, the divine writing "fled off" the tablets, and what remained were lifeless heavy stones (comp. TB Pesachim 87b). Just as human beings weigh less when alive, says Rabbenu Bechaye (1255-1340), so also the tablets "carried themselves" as long as the words of the living God were inscribed on them. As soon, however, as those

words fled, they became too heavy for Moses to carry. He let them drop and they smashed into pieces. Moses felt that it was better to let the tablets break, than continue to carry on an empty lifeless message.

Rabbi Meir Simha Cohen of Dykman, a leading rabbinic authority of this century, reverts to the idea that Moses broke the tablets deliberately. He did so out of fear that in a *milieu* the like of which he beheld as the Israelites worshipped the golden calf, which their own hands shaped, they would most likely take to worshipping the tablets which were made by God. A generation which does not know the difference between the living God and a molten image of a god, might not know the difference between the word of God emerging from Tora and Tora itself. Worship of Tora and of the tablets on which it is inscribed, could easily become idol worship. The fear that the Israelites of that generation might draw an equation between God and Tora, prompted Moses to smash the tablets.

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WHITE COLLAR crime usually flourishes during booms, in periods when confidence turns into speculation and profit-seeking into greediness. In Israel, the year 1983 provided such conditions. When the crash came, as it always does after such periods, it left behind a score of scandals, inquiry commissions, police investigations and government committees working to rescue operations for debt-ridden firms and organizations.

Today, when the government is busy cleaning up the mess left behind by developments of four years ago, and when the Treasury wants to liberalize the capital market, it is worth recalling the lessons of 1983.

The developments noted below took place not in 1983 but during the period from 1979 to 1983 or 1984. In the public's mind, however, the entire period has become identified with one year, 1983, during which paroxysm reached its upper limits.

Most people reading about cases of white collar crime, or financial scandals in their daily newspaper would define economics as a dry and obscure subject. Few would make the connection between the abstract debate among economists and the daily chronicle of scandal in the press. Yet they are wrong. Today's headlines about investigations and accusations are firmly rooted in economic conditions which existed in the fateful days of 1983.

Economists, on the other hand, are in no better position to understand what happened in Israeli society in that year. They are so used to the theories of individuals acting rationally in smooth and non-problematic markets that they forget that this picture is far from reality.

Economic actors operate in social classes, institutions and collective bodies, as well as in households and firms. All of these actors can act in a manner which economists would term "irrational." During booms, those actors, whether commercial banks, bank managers, or simply the man in the street, lose touch with reality. During such periods over-speculation and "manias" emerge. The same thing can happen when confidence is replaced by panic, when speculation becomes a run on the banks, and the boom becomes a crash.

Closely connected with the assumption of rationality is the idea that fraud and embezzlement can be avoided if there is enough "supervision" or "control." Such an assumption,

which is so evident in the Bejski Commission of Inquiry report, should be rejected. Swindle and fraud are as endemic to capitalism as booms and crashes. No economy based on the operation of profit-seeking firms and individuals is free of potential crises, of the cycles of boom and bust which form the basis for fraud. This has been the case in the last 300 years, and no amount of "supervision" is going to change that.

SINCE THE beginning of the 18th century, history has recorded time and again stories of businessmen becoming swindlers, and otherwise careful citizens becoming victims of speculation.

In 1978, Prof. Charles Kindleberger of the Massachusetts Institute of Technology wrote *Manias, Panics and Crashes* in which he noted ways in which authors throughout history have described "mania" periods. The terms used include manias, insane speculation, blind passion, financial orgies, frenzies, feverish speculation. The periods saw, according to Kindleberger, intoxicated investors, turning a blind eye, people without ears to hear or eyes to see, investors living in a fool's paradise, and epidemic desire to become rich.

Most of these terms could have been applied to Israeli reality in 1983. Some of them could have appeared in the final report produced by the Bejski Commission of Inquiry on the bank shares crisis.

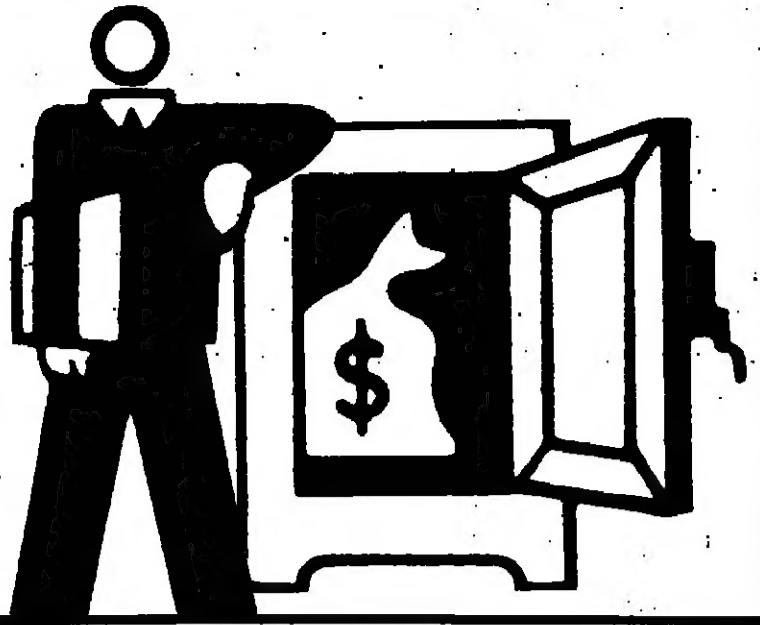
THE CLIMATE conducive to "bubbles" like the one existing in 1983 results from inflation. As the cost of living starts rising, family budgets become distorted and ways of adding money to the household budget are sought. This, coupled with the desire to protect one's money, forces firms, individuals and other organizations to look for ways of making money fast, and of consuming it even faster. "Frenzy" would be the best way to characterize such a process.

In 1920 a Boston "businessman" by the name of Charles Ponzi promised to pay 50 per cent interest for the use of deposits for 45 days. Soon he was repaying the debt with the issuance of a new debt. While the first depositors got their money and the promised interest, the rest became victims of what has been called since "Ponzi scheme."

This happened more than 60 years before the moshavim and kibbutzim discovered the "grey market," and

Finance and fraud

Avi Temkin writes that the economic scandals of 1983 were unavoidable for 'swindle and fraud are as endemic to capitalism as booms and crashes.'



the "financial wizards" promising them yields which the commercial banks could not offer. It is for this reason that the problem of debt and white collar crime which originated in the early 1980s are nothing more than mirror images of each other.

But 1983 was not only characterized by inflation and the grey market. The stock market boom of that year will probably be remembered as its main feature. The boom was clearly a case of mob psychology, and of irrational market behaviour. Gradually people started losing touch with reality, becoming progressively more infected by the climate of speculation. Everyone tried to jump on the bandwagon.

From a personal point of view, this seemed rational. However, in most cases, especially towards the end of the boom, people failed to take a particular and crucial bit of information into account, and when they did, it was already too late to exploit it to their own advantage.

When the stock exchange is booming, information and tips become a source of rapid profits. This is the basis for operations of the "insiders," people with access to information, who take advantage of this position to their own advantage.

The recent insider trading scandal involving Ivan Boesky is only one example of a number of brokers and

dealers who could not resist the temptation of using insiders' information. Brokers and dealers are often active in other kinds of fraudulent operations such as selling themselves shares from their clients' portfolios at their old value when share prices go up. The opposite operation takes place when prices fall.

Either way, it is a case of skimming off their victims' profits. This is the type of activity that the receivers of FIT, the Tel Aviv brokerage firm, suspect the owners engaged in before fleeing to the U.S. some months ago.

WHAT SHOULD be stressed is the close link between the boom and the white collar crime. In a boom, individuals become greedy, and swindlers are always there to exploit that greed. Victims are always available; "there is a sucker born every minute."

During such periods, what economists call the "demonstration effect," the desire "to keep up with the Joneses," is fully operative. This means families, or even countries, imitating and adopting standards of living far beyond their means. This, in turn, becomes an additional factor forcing individuals and firms to look for quick profits, taking risks they would otherwise refuse to take.

The demonstration effect often

involves daydreaming, which can be exploited for commercial purposes. Neftin sold Israelis the dream of their own villa in Samaria. Soon it became evident the company was selling nothing more than an illusion.

But the demonstration effect was also at work in the case of Ernest Japhet, former head of Bank Leumi, who thought that he should get a salary and fringe benefits comparable to those of the American or European bankers he met.

Japhet was not the first, or the last, of the "money-men" involved in scandal. Kindleberger quotes Daniel Defoe, the 18th century author of *Robinson Crusoe*, who thought that the stock-jobber, the ancestor of today's brokers, cheat 10,000 times worse than the highwayman, because he robbed people he knew and ran no physical risk.

Some years later the same Defoe started supporting John Blunt, head of the South Sea Company and a swindler himself. Defoe was simply bought by Blunt and his men. He was not the first, or the last, of the journalists, intellectuals or men of letters, who find it convenient to sell themselves to the highest bidder.

IN A capitalist economy firms finance their profit seeking operations by borrowing, by issuing debt securities or by selling equity. The first

two measures imply that firms build up a system of obligations and commitments which are supposed to be paid for from profits made in the debt-financed operations.

Profit-seeking firms sometimes operate in what is called "the real sector," that is firms producing goods and services. They issue debts to finance such operations.

But alongside those firms are also what economists call "financial intermediaries," that is firms or persons, that borrow and issue debt securities to finance purchase of other financial assets, whether firms producing goods and services or other intermediaries. Soon a lengthy and endless chain of intermediation emerges. The connection between the debt issuing activities of firms and the real sector becomes less and less concrete, until, as in the case of frauds and swindles, it vanishes.

In a boom or mania situation, such a chain of intermediation reaches a climax. And when the chain breaks, what is left are bankrupt firms, when the enterprises involved represented real assets, or swindlers, when behind the facade of rapid profits there is nothing more than air.

Charles Pozzi offered his victims a chance to purchase International Postal Coupons abroad at a depreciated price and to sell them in the U.S. at a higher price. He took in \$7.9 million, at 1920 prices, from his victims. When he was arrested he had only \$61 worth of stamps and postal coupons.

BOOMS have very little to do with real production. In fact the profits which the financial sector offers are so large that no investment in productive activities can compete with it.

In the early Eighties, in the Haifa Bay area, Ata, a past glory of Israeli industry, started dying. While its obsolete equipment prevented its workers from producing wares capable of competing in domestic and foreign markets, the shares of Ata went up daily on the Tel Aviv Stock Exchange. People invested in Ata shares, but very little of this was turned into physical investment.

Sometimes one can distinguish clearly between the "legitimate" firm that failed and the swindler who from the beginning only intended to cheat the suckers. But most of the times the line is unclear.

This situation presents a formidable obstacle for the supervising bodies. They are supposed to draw

the line of demarcation, when such a line is almost impossible to draw.

Their trouble does not end there. In a boom one finds a great deal of financial innovation, a process by which new kinds of financial assets and new types of financial activities are created. Supervising bodies, almost by definition, are unable to cope with such innovation.

In 1983, Israeli commercial banks started selling shares to wage earners on a monthly basis, as if they were saving schemes. One can guess that the Securities Authority knew about this, but probably decided there was very little it could do.

Another aspect of the blurred difference between the legitimate and the fraudulent, of the difficulty to distinguish between them, is the fact that swindlers are rarely caught during the boom itself. Rather, it is during the period when a sense of danger or distress spreads that perpetrators of fraud make a run for other people's money or are caught.

In 1920 John Blunt and his South Sea Company associates tried to hide their firm's difficulties. They did so by buying their own stock in the open market. This happened 260 years before Israeli banks embarked on "regulating" their shares. Both Blunt and the Israeli bankers hoped that they would be able to sell the shares soon after the "distress" was over. In both cases these hopes were not realized.

When the fragile structure of debts erected during a boom breaks down, swindlers and speculators find it impossible to go on. It is then that scandal erupts, often in a framework of a general crisis affecting the major sectors of the economy. In such instances, the government needs to step in. In Israel, such intervention took place on two levels. On the economic level, the government tried to draft rescue plans for the most affected sectors. On the ideological and political level it has done its utmost to prevent the debacle of 1983 as an exception, or a one-time mistake.

Nevertheless, there is little that could justify the government's version of what brought on the scandals of 1983. As long as profits and profit opportunities exist, as long as these opportunities are exploited with debt financed resources, there will be little the government, or any agency, can do to prevent the development of booms and manias. This is the main lesson we should draw from that strange period called 1983.

Every day is Purim

Telereview / Philip Gillon

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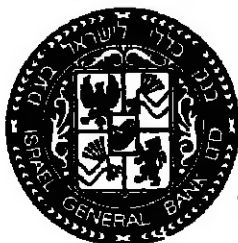
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PURIM provided us with a very welcome opportunity to draw the news in suitable portions, the object being to be unable to distinguish Pollard from Peres. Mind you, the way the government has been handling our Affairs, sometimes I think that every day is Purim, and that we are witnessing a *Purimspiel* in Cheim, and not the conduct of policy by rational men.

Pride of place among the special Purim programmes went to Arye Orgad's *Candid Camera*. His stunts were extremely funny and original, although I thought the one about Chernobyl was very cruel.

Mark Twain said once that every human being is convinced that his really superlative quality is his sense of humour: mine certainly is far superior to that of anyone else in the world. But I don't think I would consider it an amusing practical joke if somebody told me that I — or even worse, my beloved automobile — might have been affected by radioactive rays.

I may have a suspicious mind, but at times the subjects of the interviews seemed to smile and look straight at the cameras as if they knew what was going on. But there was probably nothing in these suspicions.

Having voiced these reservations to prove my objectivity, let me hasten to say that the programme was very funny. The items about the vocal public telephone and the licensing bureau were a riot. Orgad's disguises were so weird, his verbal intonations so perfect, and his deadpan style so correct for each occasion, that I am not surprised that the subjects were taken in.

Perhaps the weakness of this type of programme is that nowadays, any imaginary idea, however zany, can so easily be the truth. Science fiction and reality have merged. Tomorrow we are almost certain to have a vocal or singing telephone that won't work properly because of Bezek. And we are almost certain to be infected by death rays.

So, seeing the butts of Orgad's humour making asses of themselves, I found it hard to laugh at them. Knowing that I would react exactly as they were reacting if I found myself in similar situations. The lesson did not feed my sense of superiority, but batted on my inferiority complex. This is not a funny thing to happen to one.

In passing, I must mention that Orgad is among our very best newscasters and TV personalities. What happens to him between one Purim and another? Another excellent TV journalist, of whom we have seen too little lately, is Haim Gil. What is old Haim doing nowadays?

RIVKA MICHAELI brought us two of our very best television comedians, Tuvya Tzafir and Dudi Gal, whom we have not seen in recent months. In fact, I cannot remember when we last had Dudi on a show. Remembering how much light and laughter these two, and Rivka,



The candid face of Arye Orgad (Uzi Keren)

brought us in *Nikud Rosh*, I couldn't help wondering why somebody has not put together another such satirical show. The three of them would certainly provide an excellent nucleus. Heaven knows, there is enough going on to satirize to provide several programmes a week.

This time, Dudi and Tuvya skitted two sacred cows, *haluzim* and *Aliya Bet*. We saw them as pioneers laying down the shovel and the hoe, like old Uncle Joe in the song, and setting off to conquer the stock exchange instead of the marshes and the desert.

Then we saw the "illegal" immigrants being carried on stalwart shoulders across the sands of Neumim to Kfar Vitkin beneath the noses of the British garrison. Really heroic stuff, of which legends have been made. Finally, however, we saw the rescued immigrants running back across the beaches and trying to get out of the Promised Land while there was still time.

Shlomo Nitzan had a ball seeking a solution to the problem perplexing the intelligence services, not only of Israel but of the entire world: how did those blasted Americans discover that Aluf Mishne Aviem Sella was being promoted to command the Tel Nof air base? Had they got a spy planted in Israel who was engaging in some illegal wire-tapping?

Nitzan's answer was that they got an invitation to the party called to celebrate Sella's rise to greater glory.

Shlomo also had a great line with the stern supermarket manager, who objected to his Arab workers speaking Arabic to each other, and insisted that they must learn Hebrew or he would have to fire them.

Nitzan opined that it was easier to teach an Arab to speak Hebrew than to teach Jews to do the work that the Arabs were doing.

BUT THE MOST sardonic *Purimspiel* of the week, of course, was Israel Television's non-coverage of our

tennis squad's great Davis Cup victory over Czechoslovakia.

This, the finest achievement in Israel's sporting history, was treated with the greatest disdain. The whole country, including people who do not know one end of a tennis racket from the other, was enthralled by the drama of what was happening in Hradec Kralove. Here we had Israelis doing a David and Goliath act against one of the greatest tennis powers on earth, and what's more, an Eastern Bloc country. Everybody was waiting avidly for a live commentary — we had a man there on the spot, and the Czechs were giving it full live coverage — but all we got were snippets hours after the event.

The time was ideal for reception in Israel — there was no question of 2 a.m. sessions. So, if we sent a man, why not use him? Where was he? Visiting synagogues and other sites of interest?

I must admit that nobody can call Israel Television parochial. They managed to cover, live, at great expense, a non-event, the All-Stars basketball game, in which no Israeli was involved. Perhaps somebody up high assumed that we would be beaten so badly so fast by the Czechs that none of us would like to see on the screen what was happening.

I raise the question so strongly because we are scheduled to play India in the next round of the Davis Cup in July. I hope that we will not have a repetition of this modest non-coverage nonsense.

THE PURIM film ITV gave us was a classic, the Marx Brothers' *Night at the Opera*, a comedy that has lingered in my memory as one of the greatest ever made. In particular, I blush when I realize how often I have bored young people by describing the conclusion of the contract between "the party of the first part and the party of the second part," as well as the scene in the cabin with the steamer trunk. And how I have raved about Groucho's jokes, and the antics of Harpo and Chico, and the glorious slapstick.

Alas! I must confess that the film has not aged well. Those wonderful scenes, Groucho's wisecracks and the slapstick hardly elicited a smile, let alone the deep belly-laugh I had expected.

Last week, because of Danny Kaye's death, we were shown *The Court Jester*. This was a film I thought terrible when I first saw it in the Fifties. It was even worse than I remembered. But I also remember laughing uproariously at Danny Kaye's Walter Mitty and Wonder Boy. Perhaps ITV will give us a chance to try these out.

Recently I saw a re-run of *The Thirty-Nine Steps* made by Alfred Hitchcock with Robert Donat. It was awful. On the other hand, Friday night's version was very exciting.

The sad truth seems to be that films made in the good old days are better left undisturbed in our memories than pulled off dusty shelves and shown to us again.

MARKET PLACE

AVI TEMKIN

Gambling with interest

The Bank of Israel, like all other central banks in the world, likes to think of itself as a knowledgeable and independent body of economic policy makers. Central banks are supposed to implement something called "monetary policy," the meaning of which changes with time and place. That being the case, the Bank of Israel aims to carry out its own version of monetary policy.

During its history, the bank has implemented several versions of monetary policy. There have been credit ceilings, and there have been attempts to control the expansion of the money supply, or one or more of its sub-groups. Whatever the approach, it has been really a quest on the part of the bank to find out what it is supposed to do.

The latest version of "monetary policy" is an attempt to control something called "non-directed shekel credits." That's what the bank calls its "target." The way to control credit, as everyone knows, is by raising or lowering interest rates, to increase or cut the cost of credit. So we are led to believe that by putting up interest rates the bank is helping to cool off an economy overheated by what the bank views as excessive borrowing. By doing so, it aims to reduce the danger of renewed inflation or balance-of-payments problems.

One naturally assumes that if the central bank is implementing such a policy it knows how and why curbing credit helps cool down demand. Surprisingly or not, the Bank of Israel pleads ignorance. As the head of the bank's research department, Mordechai Fraenkel, admitted this week, the bank acted on the basis of nothing more than a collection of incomplete evidence, a firm belief in the truth of conventional wisdom, and nothing much beyond that. The bank has no evidence, empirical or otherwise, to show how the different variables it thinks it can control react on each other.

Furthermore, while the bank can observe via official statistics the trends in borrowing in official bodies — in other words the commercial banks — it lacks any information about borrowing on the "parallel," or grey market. Moreover, the bank can't prove whether the growing levels of borrowing are causing spending, or whether it is larger spending that has spurred demand for more credit. The bank does not even claim to know who the borrowers are.

The price of such guess work by the central bank is heavy: The country's productive sector is being badly squeezed in the name of a belief in unproven conventional wisdom. The men at the helm of the central bank think they know something about the way credit, spending, prices and interest rates are connected, the causal links between them and strength of such links. But, of course, they're not sure. By their own admission, they simply do not know whether they are right or wrong. They are gambling on poor odds. If they are right, they will reap the credit. If they are wrong, the economy will suffer, and that is a far greater loss.

COMPANY RESULTS

American Israel Paper Mills Ltd.

Paper	1986	1985
Revenue	NIS 145.6m.	81.0m.
Net income	9.3m.	4.3m.
Per share	2.72	1.28

First nine months only

Gel Weinsteiner Industries Ltd.

Packaging Products

Year

To Dec. 31

Revenue

Net income

1986

1985

Loans outstanding

Net income

As of Dec. 31

1986

1985

581.9m.

793.0m.

1.2m.

936.5m.

1.3m.

936.5m.

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Clal Industries posts profit of NIS 7.5m.

By DAVID ROSENBERG

Jerusalem Post Reporter

Clal Industries Ltd. made the best of a generally bad year by cutting costs and taking advantage of tax credit carry forwards to earn a respectable NIS 7.5 million net profit for 1986.

The giant, multi-faceted industrial holding company said yesterday that its consolidated income had dropped 7 per cent last year from 1985 to NIS 680m. Nevertheless, it was able to report a net 11 times its 1985 figure of \$680,000. Per share earnings came to 80.6 per cent, compared with 7.3 per cent in 1985.

The chief reasons for the improved earnings were an 8 per cent reduction in cost of sales to \$547.9m, and, most importantly, a \$1.67m. tax credit earned by several subsidiaries under the Law for Taxation Under Inflationary Conditions. In 1985, Clal paid some \$20.5m. in taxes.

The carry forward enabled Clal to turn a pre-tax earnings of NIS 4.35m. into an after-tax profit of \$6.1m. By comparison, in 1985, the

company had a NIS 14.4m. pre-tax profit and a \$6.5m. after-tax loss.

The drop in consolidated income was almost entirely attributable to a 23 per cent plunge in export sales to \$143.7m. By comparison domestic sales were off just 1.7 per cent. On the other hand, unconsolidated sales, which include those of companies in which Clal does not have a controlling stake, were up 23 per cent from 1985 to \$881m., a gain almost entirely attributable to the local market. Domestic sales soared 34 per cent last year from 1985 to \$594m., while exports edged up just 3 per cent to \$244m.

Clal offered what has become the manufacturing sector's standard litany of complaints about the state of last year's economy, including the price controls, cuts in export incentives and the effectively frozen shekel-dollar exchange rate.

Urdu Industries Ltd., a 55 per cent-owned unit of Clal Industries, passed into the red last year, with a NIS 10.76m. loss, compared with NIS 3.8m. profit the year before.

DEMJANJUK ON TRIAL

(Continued from Page 2)

Federenko shown to survivors were larger than other pictures.

"I worked according to U.S. instructions," Radiwker said, "and had no say in these arrangements."

Then Sheftel asked her why she presented the photo of the balding Demjanjuk against the background of seven other photos of men with full heads of hair. "I'm not responsible for Demjanjuk's balding pate," she said, as the court, lawyers and the audience broke into laughter.

Even the accused, as soon as the remark was translated into Ukrainian for him, broke into laughter until he was red in the face.

Sheftel next questioned the witness on the fact that the 14 survivors she had interviewed, six had identified Ivan while eight had failed to do so. "Do you ignore the implications of the fact that people who spent 11 months in Treblinka did not recognize Ivan?" he asked.

"I'm not a psychologist; I merely registered the facts as they emerged in my interviews. I was not interested in the legal implications these facts might have at a later stage," Radiwker replied.

Before Radiwker's long day of cross-examination was over, however, Sheftel pressed her on her performance in the Federenko hearing in Florida in 1978. Under questioning there she had several times been forced to admit that she did not remember certain facts. "Perhaps I was excited then and really did not remember," she said.

"Why would you be excited then?" Sheftel wanted to know.

"I was angry at Federenko," was the reply.

Under continuous attack by the defence, Radiwker at one stage insisted on having the transcripts of her own reports shown to her before she answered a question.

During the last hour of the session, the "prosecution put on the stand Ya'acov Ziegelboim, 47, the Ukrainian-born police doctor who examined Demjanjuk, who he arrived here in February, 1986. Dr. Ziegelboim has been in charge of the accused's health ever since.

Cross-examining the physician for the defence, John Gill brought out the fact that on examination here Demjanjuk was found to be 1.80 metres tall. This would make him 5 centimetres taller than the height recorded on the Trawnik ID card issued in 1942 by the SS.

"Is there any reason why a person aged 66 should be growing?" Gill asked. "No," replied Ziegelboim and then indicated that measurements made under different conditions, by different people may have different results.

The doctor said that Demjanjuk may actually have shrunk by two centimetres because of a spinal disk problem he discovered.

Asked about Demjanjuk's general health, Ziegelboim said that he suffers from gout, hemorrhoids and constipation. He has been examined by a psychiatrist who found him to be of sound mind and not in need of any medication.

According to an item report, the court yesterday acceded to a request by the prosecution to allow witnesses residing abroad to testify before courts in their home countries.

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Knesset to probe interest rate policy

By DVORAH GETZLER

The Bank of Israel's interest rate policies will be discussed in the Finance Committee, the Knesset decided yesterday after debating several motions for the agenda on the subject.

Deputy Finance Minister Adi Amoral, who answered for the government, was put in the embarrassing position of having to enunciate a policy he is known to oppose. But he clearly stated the central bank's opposition to lowering interest rates at the moment, despite the lower-than-expected increase in the February consumer price index.

Amoral said that personally he favoured a more frequent review of the rates and their adjustment according to economic needs. But he rejected a suggestion by the Likud's Dan Tichon that, in the absence of an advisory council for the central bank, the Knesset appoint a committee, or perhaps empower the Finance Committee, to serve in that capacity.

Amoral cited the problem of "interested parties" who might exert improper influences.

In a related development, a lawyer for the State Attorney's office told the High Court yesterday

that the Bank of Israel would be lowering interest rates soon, in response to the small increase in the February CPI. He was responding to a suit brought by the Federation of Chambers of Commerce, seeking a court order to cut interest rates.

Among other things, the State Attorney's office lawyer said the bank had feared that without raising the interest rate, as it did last month, real interest rates would become negative, that is, they would be lower than the rate of inflation. The bank raised interest rates one percentage point in February to 2.5 per cent monthly.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	124.71 +0.02%
Non-Bank Index	149.80 +0.44%
Arrangement	108.62 -0.34%
Insurance	126.47 +0.68%
Commerce & Services	147.33 +0.85%
Real Estate & Agric.	142.85 +1.20%
Industries	150.88 +0.16%
Textiles	148.74 +0.02%
Media	148.19 +0.77%
Electronics	159.80 +0.03%
Chemicals	147.31 -0.32%
Industrial Invest.	163.37 UC
Investment Cos.	168.24 +0.35%
General Bond Index	103.28 +0.13%
Index-Linked Bonds	103.38 +0.18%
Fully Linked	110.64 +0.25%
Partially Linked	107.43 +0.07%
Dollar-Linked Bonds	107.67 +0.10%
Short-term 0-2 yrs.	107.14 +0.10%
Medium-term 2-5 yrs.	108.71 +0.16%
Long-term 5+ yrs.	110.98 +0.09%

Turnovers:

Share-total	NIS 18,024,900
Arrangement	NIS 1,267,900
Non-Bank	NIS 15,757,000
Bonds-total	NIS 7,525,200
Commerce & Services	NIS 6,901,200
Real Estate & Agric.	NIS 1,927,200
Treasury Bills	NIS 2,425,000

Share Movements:

Advances	148 (206)
Declines	34 (33)
of which 5+ buyers only	1 (3)
Declines	111 (73)
of which 5+ sellers only	2 (10)
Unchanged	128 (119)
Trading	33 - 289

Bond Market Trends:

Index-linked:	3% fully linked
Mixed to 1%	

4.25% fully linked	Mixed to 1%
80% linked	Stable slightly
Double linked:	Stable/mixed to 3%
Dollar linked:	
Admon	Falls to 1%
Rimon	Mixed to 1.5%
Gilboa	Falls slightly
GC denominated	Mixed
T-bills	26.95-30.00%
(annual yield)	

Arrangement yields:

IDB ord.	16.51%
Union 0.1	16.28%
Discount	16.22%
Mizrahi	16.28%
Hapoalim	16.28%
General A	16.38%
Laumi Stock	16.41%
Fin. Trade 1	16.02%

SELECTED PRICE QUOTATIONS

Name

Price Volume %

TODAY'S change

Commercial Banks

(not part of "arrangement")

Maritime

General non-arr.

First Int'l

FIBI

Commercial Banks

(part of "arrangement")

IDB

Union 0.1

Discount

Mizrahi

Hapoalim r

General A

Laumi 0.1

Fin. Trade

Mortgage Banks

Laumi Mort. r

Dev. Mort.

Mishkan r

Tafelot r

Mizrahi

Financial Institutions

Agric. Dev. DD

Ind. Dev. DD

Clal Leasing 0.1

Insurance

Ararat 0.1 r

Hesneh r

Phoenix 0.1

Hemshar

Memorah 1

Sahar r

Zion Hold. 1

Trade & Services

Meir Ezra

Supersol 2

Dufek r

Lighterage

Cold Storage

Den Hotels

Vardan Hotel

Hilton 1

Team 1

Real Estate, Building and Agriculture

Azorim

Elon

Africa Int. 0.1

Denkem

Prop. & Bldg.

Bayshore 0.1

ILDC r

Rastor r

Mehadrin

Hadarim

Industries

Dubek b

Pri-Ze 1

Sunfrost

Elite

Adger

Argaman r

Delta G 1

Maquette 1

Eagle 1

Poigot

Scholleina

Rogovin

Urdu 0.1 r

Is. Can Co. 1

Zion Cement

Pecker Steel

Elbit

Elron

Adi

Clal Electronics

Spectronix 1

T.A.T. 1

Acherstein 1

Agn 5

Alliance

Dexter

Fertifera

Haifa Chem.

Teva r

Devid Sas r

Petrochem.

Nesce Chem.

Frustrum

Hedera Paper

Central Trade

Koor p

Clal Inds.

Investment Companies

IDB Dev. r

Elron

Avi 1

Gahelot

Israel Corp. 1

Wolfson 1 r

Hapoalim Inv.

Discount Invest.

Mizrahi Invest.

Clal 10

Landeco 0.1

Pama 0.1

Oil Exploration

Pez Oil Expl.

J.O.E.L.

Abbreviations:

a.o. sellers only

b. buyers only

r registered

FINANCIAL DATA ISRAEL EUROPE U.S.

ISRAEL MONEY MARKETS

SHEKEL INTEREST RATES

PRIME BORROWING RATE: 2.5% per month

Unlinked Deposit (Annual Rates)

LEUMI	10-25.5%	11-24%	11-22.5%
HAPOALIM	10-25.5%	11-25.50%	11-22.50%
DISCOUNT	10-24.50%	11-24.50%	11-24.00%
MIZRAHI	10-24.50%	11-24.50%	11-24.00%
FRST INTL	10-24.50%	11-24.50%	11-24.00%

Rates vary according to size of deposit.

(Tapes: demand deposit paying daily interest.

Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES

STG (10,000 pounds)	8.125	8.00	8.00
DMK (100,000 marks)	3.00	3.125	3.125
SFR (50,000 francs)	3.25	3.125	3.125
YEN (3,000,000 yen)	2.625	2.625	2.500

Rates vary according to size of deposit and are subject to change.

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Founded in 1952 by GERSHON AGRON, who was Editor until 1955; Editor 1955-1974
 TED LURIE, Editor 1974-1975; LEA BEN DOR, EDITORIAL OFFICES AND
 ADMINISTRATION The Jerusalem Post Building, Roshnai, Jerusalem P.O. Box 81
 (91000) Telephone 551616, Telex 26121, Fax 551670, TEL AVIV 9 Rehov Carlsbad,
 POB 20126 (61201) Telephone 294222, 288231-6 (six lines) Fax 203528, HAIFA 16 Rehov
 Nordau, Hadar Hacarmel, POB 4810 (31047) Telephone 645444 Fax 645446. Published
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The wages of apartheid

CRITICS have been paying this country a back-handed compliment in labelling the Israel-South African relationship an unnatural alliance. That, indeed, is what it has over the years become: an alliance, to all intents and purposes, albeit an unnatural one. Unnatural because, unlike the Israel-U.S. nexus, it almost totally lacks a joint commitment to political ideals beside the common perception of strategic interests.

South Africa, it is true, was one of the first countries to recognize the fledgling State of Israel in 1948. But nothing in Israel's history, nor in its Jewish tradition, prepared it for the close kinship it was in due course to develop with an oppressively racist South Africa.

What drew the two countries together was their pariah-like isolation in the world arena, and that they were facing similar threats from the outside.

For some time now, however, it has been clear that an agonizing reappraisal of the Jerusalem-Pretoria nexus was in order. Following a lengthy cabinet session on Wednesday, Foreign Minister Peres yesterday stated that the government will modify, though not reverse, the policy of the past decade. No new military contracts will be concluded with South Africa, and cultural and tourism ties will be cut to a minimum.

But the government will do so only in order to escape punishing retaliation - through the reduction of aid given to it by its rather more valuable, and more like-minded, ally, the U.S. And because, with the shadow of Jonathan Jay Pollard hovering over its dealings with the U.S., the government has no reason to expect any special consideration in the matter from Washington, unless it imposes at least limited sanctions on South Africa.

This is what the West European are doing, and it is hoped that the U.S. will ask of Israel no more.

The idea of sanctions as an incentive to drastic racial reform in South Africa has been the subject of heated debate in democratic countries the world over, and now the debate has reached Israel as well. It is not hard to guess what the objections were at the cabinet meeting.

Despite the abomination of apartheid, South Africa's human rights record is by no means the worst in Africa, or in most other continents. It is rank discrimination to single South Africa out for punishment. Sanctions are ineffective, except in arousing resentment, and they will hurt primarily the blacks and the Jews and - if Israel imposes them - Israel itself, and without even rewarding Israel with the renewal of friendship by the black African states.

Besides, Israel is opposed to sanctions as a matter of principle, and its own example is likely to be turned against it.

These are weighty arguments, but evidently they did not carry the day in the cabinet. For it is not true that Israel is opposed in principle to sanctions: as witness this country's position on the Jackson-Vanik amendment, for example. Sanctions are not a panacea, but if implemented under tight enough controls they can be effective. If the Congress is now pressing all of America's allies on sanctions, that is because "constructive engagement," President Reagan's favoured method, did not get President P.W. Botha to cross the Rubicon of racial reform he pledged to cross a full year and a half ago.

But perhaps Israel's own policy should be shaped by a consideration of what its attitude would have been had Jews, not blacks, been the victims of apartheid; and what post-apartheid South Africa's attitude to Israel is likely to be if this country's long-standing policy is not changed.

As it is, the government has thus taken a first step towards becoming truer to Israel's own self this week. It is at least a good beginning.

Hang on, Bruno

Pinhas Landau

IN WESTERN countries, the central bank's role as nominal arbiter of monetary policy is unchallenged. In practice, however, many governors of many banks simply do what the government of the day tells them to. The position of Bank of Israel Governor Michael Bruno is unusual in that he has three factors working to support his independence:

□ He is no-one's creature or creation, and owes his office only to Finance Minister Moshe Nisim, who backed him in order to get a real governor, not a yes-man. Furthermore, he is unlikely to want more than one term as governor so he doesn't need to toady to politicians to ensure his re-election.

□ He has no advisory committee, as the Bank of Israel is legally bound to have, because coalition politics, centred on Agudat Yisrael intrigues, have prevented the re-formation of this committee since the previous one's term expired on March 15, 1985. The government legally assumed the function of advisory committee, but hasn't got the faintest idea what to do with it. So long as Nisim's Treasury does not actually oppose him, therefore, Bruno has a pretty free hand.

□ The government is weak and getting weaker and its ability to formulate, much less execute, a cohesive economic policy, is rapidly disappearing. The vacuum invites the Bank of Israel to assume greater importance, something that a strong governor will naturally tend to do.

The third point, however, is as much a disadvantage as an advantage, and as time goes on, the more the negative aspect will come to the fore. The reason is that central banks have only one weapon, that of monetary policy, at their disposal, and that is not enough with which to control the economy for anything other than the short term.

IN THE U.S. there is a steadily-growing belief that monetarism and monetary policy have lost their efficacy (some people, Keynesians and others, say it never had any to start with) and that the central bank can not achieve any target it sets itself.

In Israel, it is probable that the very novelty of having a central bank that functions at all, and a monetary policy that exists in the context of less-than-hyperinflation and less-than-total-direct-government-control of all parts of the capital market, allows the Bank of Israel to affect economic activity by shifts in monetary policy - primarily through the rate of interest.

But even ardent Israeli monetarists would avoid the extreme position that "only money matters," and that factors like the budget deficit, or taxation, have no relevance. Monetary policy, even for its supporters, is seen as a complementary tool that should aim to back up clear government policies in other fields.

Unfortunately, for Bruno and for all of us, there is a growing dearth of clear government policies. This means that the Bank of Israel is trying to run the economy single-handed, through the medium of the interest rate.

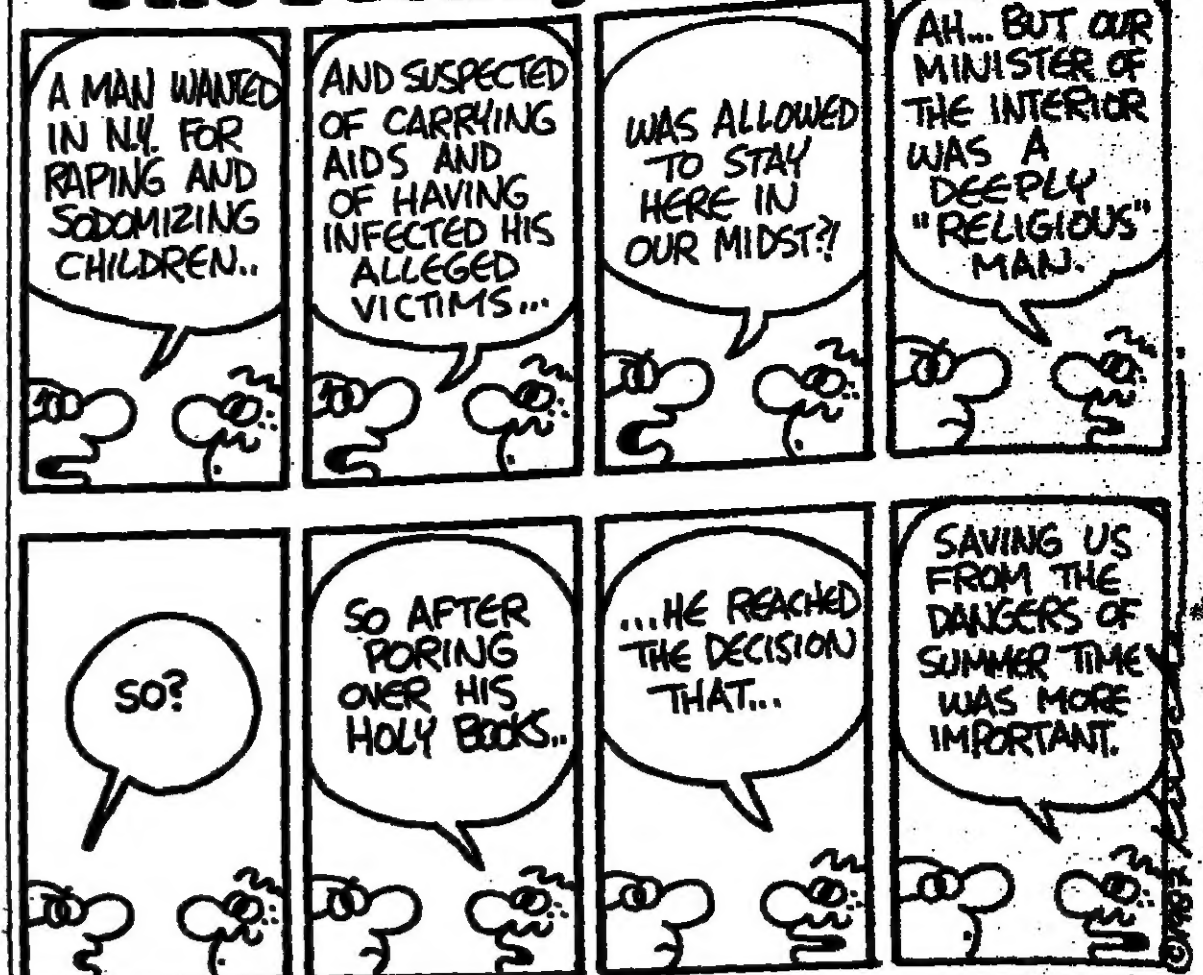
The only positive thing that can be said about this state of affairs is that, dire as its consequences may be in terms of leading to corporate collapses, bankruptcies and unemployment, it is still better than a situation in which no policies at all are in operation. In other words, the insistence of the Bank of Israel on keeping interest rates higher than they need to be or should be is not a good thing *per se*.

It is positive only insofar as it prevents the irresponsibility of the Knesset, its finance committee, and the government as a whole, especially concerning next year's budget, from getting completely out of hand. It is like shooting a few looters to prevent the mob from going berserk and ransacking everything in sight.

In the medium-term, high interest rates will become intolerable, and will result in the same cycle of bankruptcies, pressure on the government, indiscriminate bail-outs and pressure to force interest rates lower, that occurred in 1983/86.

In the long-term, the Bank of Israel may be expected to lose its ability to surprise the financial mar-

The Friday Dry Bones



kets, exactly as the Federal Reserve did because of the excessively powerful role it assumed in recent years to counterbalance the irresponsible fiscal and budgetary policies of the Reagan administrations.

HAVING SAID all that, it is all the more important to add that it is vital for Bruno to hang in there for the next few weeks and keep interest rates high. Once again, three reasons can be asserted to support this unpopular stand (indeed, its very unpopularity is a probable fourth):

□ The one per cent rise in the February CPI was a phoney. Nobody among the professional index-forecasting community knows how or where it came from. More to the point, all ordinary citizens who shop for items other than tomatoes and cabbages know that prices are going up, steadily if not dramatically. You can't fool all the people all the time. The downward distortions of one month will have to be reversed in another, just as the upward twist caused by the same wretched vegetables in October/November boosted the CPI unrealistically then. Let's

see the March index, before deciding what the real rate of inflation is.

□ If Bruno plays tough, he can use the rate of interest as a bargaining chip to ensure that the budget is not too badly mutilated by the Knesset. Having announced that the size of the budget deficit is a factor in the central bank's calculations, he could use the timing and extent of a cut in interest rates as a carrot to wheedle out some good behaviour from the Knesset Finance Committee.

□ The hike in interest rates is actually doing its job of slowing, perhaps stopping, the rise in demand for credit. Another few weeks of pressure will do more good than harm - although more than that will be dangerous.

THESE, THEN, are the reasons why the Bank of Israel's current monetary policy is valid and should be persevered in, despite the barrage of criticism. But the inherent barrenness of monetary policy, the fact that it can only play a defensive role by preventing things falling apart or, at best, a supporting role in facilitating economic expansion, point to a more

basic flaw in the position of the central bank.

As an institution, it is staffed by a dangerous breed of people concerned solely with macro-economics. In many advanced countries, their devastating effect on economic growth has been noted and they are being hunted down and rooted out of the system. In Israel they still rule the roost, and so long as that is the case, the most we can hope for is continued stagnation.

None of the macro-economists, whether in the central bank, elsewhere in government, and certainly not in the universities, has the slightest notion of how to get the economy to grow and thereby provide decent, well-paying employment for the current workforce, the next generation and potential immigrants from Leningrad, London and Los Angeles. Unless and until economic policy is framed in basic terms such as these, the prospect is that we will continue to muddle through, into the next century and into the Third World.

The writer is a member of the editorial staff of The Jerusalem Post.

READERS' LETTERS

INTRANSIGENT BUREAUCRACY

To the Editor of The Jerusalem Post Sir, - I am a new resident in Israel, a taxi driver. For the past six months I have been engaged in a bureaucratic struggle with the licensing board regarding their refusal to grant me an Israeli driving licence.

My original licence was stolen from me two years ago and I was issued a temporary licence by the New York licensing board, certifying that I am a licensed American driver of some years' standing. This is an authentic and valid document, but the licensing board here refuse to recognize it and insist that I supply my original licence - which I am unable to do.

Over a bureaucratic stumbling block, I find myself unable to earn a living here, unable to survive economically. Unfortunately, this kind of experience leads easily to disengagement and eventually to leaving the country, a situation which has probably also been the plight of former olim.

Having returned to my real home - for spiritual and idealistic reasons I cannot allow my right to live for my economic survival to be jeopardized by the licensing

board's total lack of flexibility and accommodation. The time has come for all new immigrants to stand up for their rights and to demand that their grievances be addressed. Perhaps an association that deals with the problems of new immigrants could be started to help individuals such as myself to speak out against the uncompassionate and unfair practices of various Israeli agencies. Hopefully this letter will help other new immigrants such as myself to deal with these issues.

AVRAHAM LANDAU
 Jerusalem.

TV AND RADIO SCHEDULE

To the Editor of The Jerusalem Post Sir, - Regarding the latest format of your TV and radio guide - it's just perfect! And having both Fridays in is really a wonderful extra to the reader. I hope you don't change this format any more. Thank you so much.

MALKA BLUM
 Rishon LeZion

To the Editor of The Jerusalem Post Sir, - In response to Swa'ad Talai's letter (February 19), referring to an article on the residents of Har Kananah ("Unsettled Beduin"), I wish to point out that my conversation with your reporter was by telephone, that I was not accurately reported and that the result could be misleading.

It was not my intention to defame any of the residents of Har

HAR KAMANEH BEDUIN

Kamaneh. I tried to make clear that since the hill area is under the jurisdiction of the Misgav Local Council, we are obliged, among other things, to patrol the area and to show a presence on the hill. When asked why, I emphasized that the place is secluded and could be a point for various undesirable activities, and I stated a few.

I repeat that I mentioned the latter

in a general manner, and if it was assumed that I was casting aspersions on the residents, that was not my intention.

In conclusion, I hope that the future will bring a good solution to our problems for the residents of Misgav, naturally including the Beduin of Kamaneh.

ARIK RAI
 Chairman
 Misgav Local Council



SANCTIONS

(Continued from Page One)
 Israel as a "prime" arms supplier to that regime, is scheduled to be submitted on April 1.

Secretary of State George Shultz told Israeli Ambassador Meir Rosenne yesterday that he was pleased by the latest Israeli actions on South Africa.

South Africa has expressed regret concerning the Israeli decision to reduce ties with Pretoria, and its foreign ministry will transfer a message to that effect to Israel today, Israel TV said last night.

Administration and congressional sources said yesterday that the administration report is also expected to name Brazil, Britain, France and several other Western European countries as weapons suppliers to South Africa. "Israel will be in good company," a U.S. official said. "Half of Europe will be named."

But Israel is believed to be the

only country named in the report which actually receives military grants from the U.S. and is thus a target for a cut-off.

An amendment was attached to last year's South African sanctions law calling on the president to issue a report by April "with a view toward ending" American military assistance to nations selling arms to South Africa.

U.S. officials and congressional leaders agreed yesterday that a reduction in U.S. military aid to Israel was very unlikely as a result of the report.

The State Department's Bureau of Intelligence and Research has been drafting the report, which will be circulated throughout the government's executive branch before a final version is submitted to Congress. Most of the final version will be classified, but a brief declassified summary will be released.

JITTERS

(Continued from Page One)
 budget, all programmes will be slashed. An across-the-board cut could then be implemented that would affect aid to Israel," one source said.

The Treasury is studying an American proposal on Israeli interest payments on its foreign debt to the U.S. Israel approached the Americans some months ago with a

request to cut such payments so as to save Israel \$300 million a year.

But the American response was disappointing.

Treasury officials are now pinning their hopes on Egypt, which they say, has a similar problem. "We will wait and see what the Egyptians get from the Americans. We know that we will get the same terms as them," an official said.

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Rabbi Mordechai Kohn, M.E. will speak (in English) on Pollard, Anti-Semitism and the American Jewish Future, at the Central Hotel, 8 Pines St. (off Jaffa Rd.) Saturday night, at 8:00 p.m. Admission NIS 5 KASH - 02-247202.

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"IN JERUSALEM" see page 9

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